A photograph of a person walking past a closed storefront with a blue roll-up door. The person is wearing a black top and pants, and white sneakers. The storefront has a sign that says 'KITE' and some other text. The person is walking from left to right. The background is a city street with a sidewalk and a building.

Banks offering mortgage deferrals to struggling borrowers

As many parts of Australia have returned to lockdown over the past few weeks, lenders have offered home loan relief to borrowers who may have been affected.

Some borrowers may be eligible for deferrals on their mortgage repayments:

- All borrowers can apply for a mortgage pause, regardless of geography or industry
- Deferrals are being decided on a case-by-case basis
- Where deferrals are being granted, it's on a month-by-month basis

The Australian Banking Association, which is made up of 22 of the country's largest banks, including the big four banks, said banks are standing by their home loan customers.

"Customers can rest assured that if they need help, they will get it. Your bank will help you find a way through, don't tough it out on your own."

Are you affected by the lockdowns and with your mortgage? If so, it's best to speak with your bank first, but if you want additional help get in touch.

Contact me if you need help

Why you might want to switch from renting to buying

New analysis from CoreLogic has found that buying a property is cheaper than renting for 36.3% of homes across Australia.

This is an improvement on the last time this analysis was conducted, in February 2020, when it was cheaper to buy than rent 33.9% of homes.

‘Cheaper to buy’ means it takes less money to meet ongoing mortgage repayments than ongoing rental payments. CoreLogic’s analysis assumed borrowers would put down a 20% deposit, take out a 25-year loan and pay a mortgage rate of 2.40%.

The national results hide a lot of geographical variation. For example, a majority of homes in regional locations are cheaper to buy (60.1%) but only a minority in metro locations (28.2%).

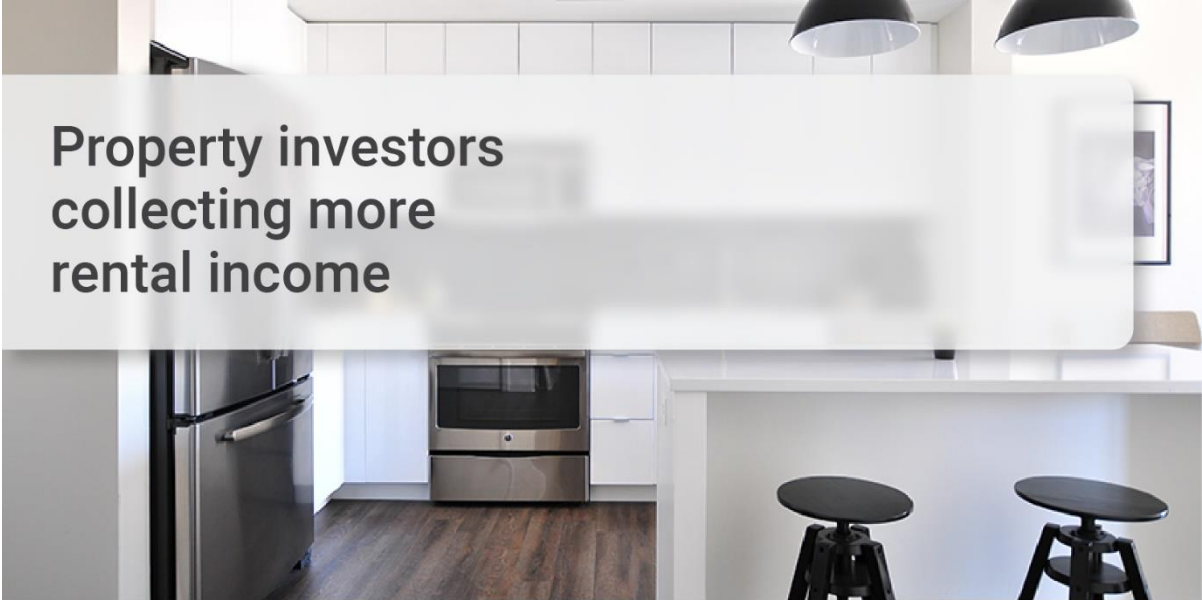


Source: CoreLogic

Mortgage assumptions used were an 80% loan to valuation ratio (i.e., it assumed the buyer had a 20% deposit saved), an interest rate of 2.4% (based on the average new lending rate for owner occupiers reported by the RBA at May 2021), and a 25 year loan term. No mortgage fees or transaction fees are assumed. The Loan value is derived based on the individual property value estimate. Rental repayments are based on the CoreLogic rental estimate of the individual property.

Of course, these are broad averages, so your personal situation might be different. If you want an expert to crunch the numbers on your behalf and see what impact a mortgage would have on your finances, get in touch.

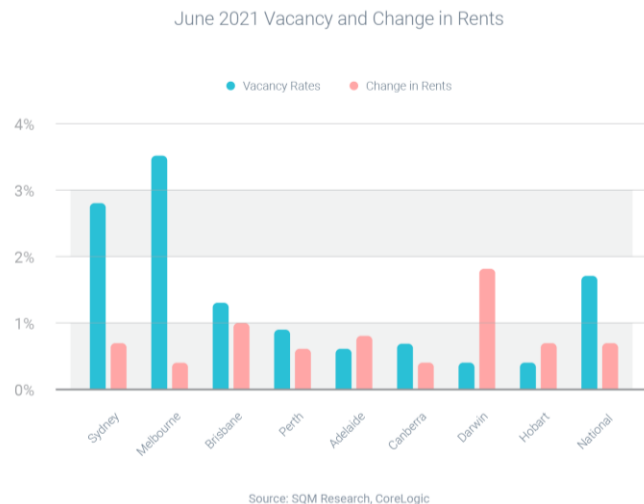
Looking to buy? I can help



Property investors collecting more rental income

This is a great time to be a property investor, with tenants being forced to fight hard for rental properties, according to new data from SQM Research.

The vacancy rate (the share of untenanted rental properties) fell in every capital city, except Melbourne, between June 2020 and June 2021.



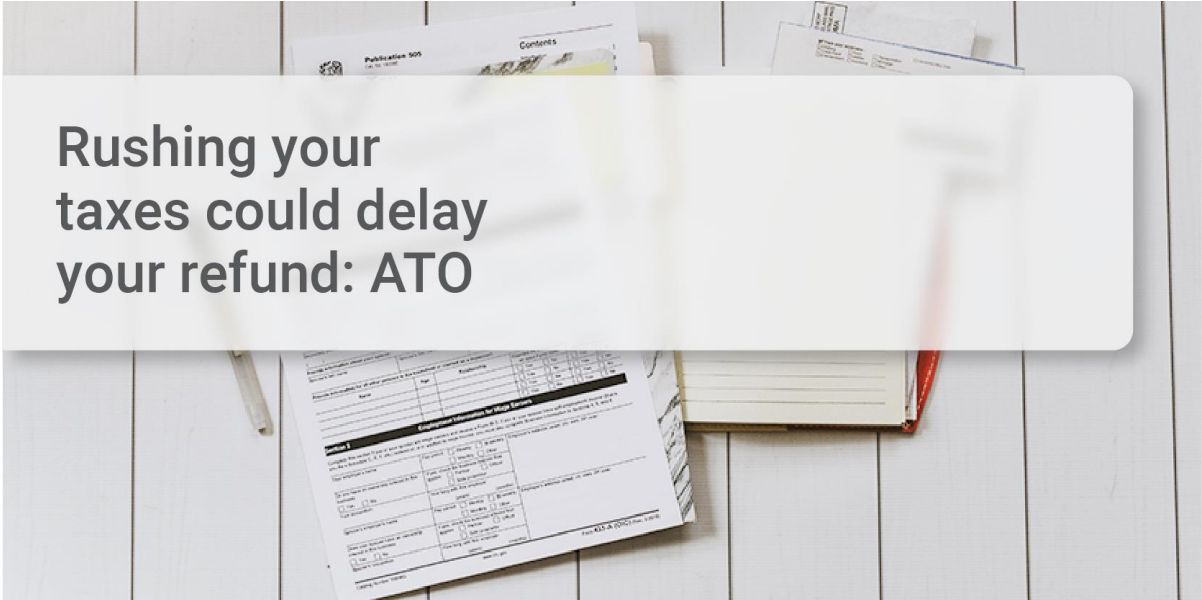
The harder it is for tenants to find accommodation, the easier it is for landlords to raise rents. So it's no surprise CoreLogic found that rents rose in all capital cities between the June 2020 and June 2021 quarters – except Melbourne.

With rents rising and interest rates at historic lows, this is a great time to be a property investor.

However, qualifying for a mortgage is often easier said than done, because banks have tight lending standards and turnaround times can be slow.

If you need help navigating this tricky landscape, speak to an expert broker.

Call me if you want an investment loan



Rushing your taxes could delay your refund: ATO

Keen to get your hands on a tax refund? Well, the Australian Taxation Office has revealed the number one problem that slows down the process.

ATO assistant commissioner Tim Loh said some Australians are in such a hurry they file their taxes before they've got a complete picture of their income for the previous financial year.

"Four out of five people get refunds at tax time. While we usually get these out in under two weeks, it may take longer if we need to address any mistakes and potentially adjust your return," he said.

"Waiting until the end of July to lodge allows the ATO to add information into your tax return from employers, banks, private health insurers, and government agencies. Agents can access this information too."

Employers usually have until July 14 to finalise their employees' income statements. However, due to Covid, some employers have been granted extensions until July 31.

Want more information? Visit the ATO's [Tax Time Essentials](#) page.

Thanks for reading. Get in touch if you need help.

[Book a Free Appointment](#)

Kind Regards,
Daniel O'Brien
1300 368 917

