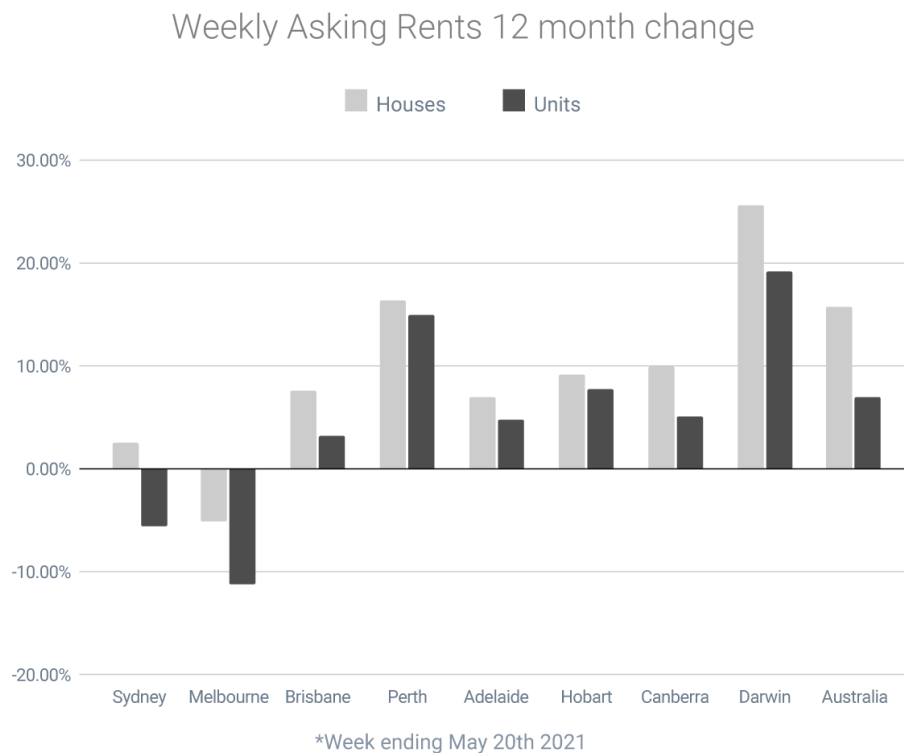


Conditions favour buyers as rents grow strongly

Rents have surged over the past year, with houses outperforming units, according to SQM Research.

Over the year to 20 May, average weekly rents jumped by 15.7% for houses throughout Australia and 7% for units. Houses also outperformed units in every capital city.



Source: SQM Research

Meanwhile, thanks to record-low interest rates, conditions favour buyers over renters.

It's cheaper to buy than rent 59.1% of three-bedroom houses and 83.8% of two-bedroom units throughout Australia, according to REA Insights.

This analysis is based on the assumption buyers have a 20% deposit and property prices will grow by 3% per year over the next decade.

Want to enter the market? I can help

Govt promotes home ownership in latest budget

The federal government, in its recent budget, announced three measures to make it easier for Australians to enter the market.

First, the government introduced the [Family Home Guarantee](#), which is aimed at single parents with dependants. The government will guarantee 10,000 loans over the next four years, so eligible single parents can buy a property with a deposit of just 2%. The Family Home Guarantee is open to both first home buyers and previous owner-occupiers.

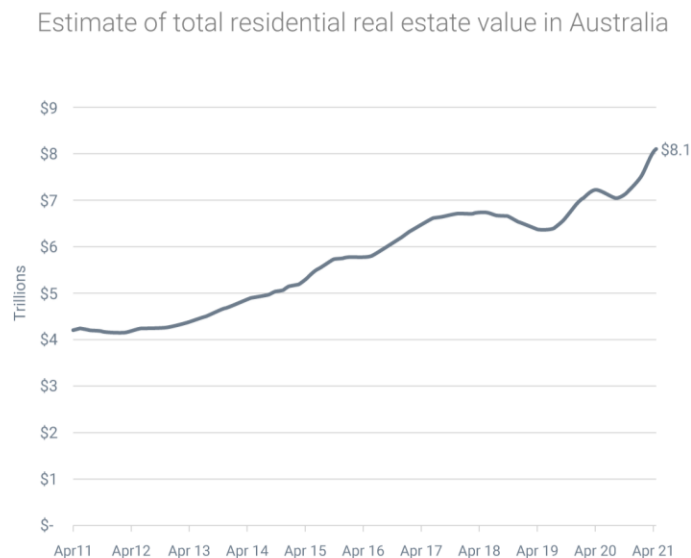
Second, the government has expanded the [First Home Loan Deposit Scheme \(New Homes\)](#), providing an additional 10,000 places in 2021-22. Eligible first home buyers who want to build or buy a new home will be able to do so with just a 5% deposit.

Third, the government made it easier for people to save for their first home, by increasing the amount of voluntary contributions that can be released under the [First Home Super Saver Scheme](#), from \$30,000 to \$50,000.

Want to learn more? Let's chat

Property now worth four times the size of Australia's GDP

The total value of Australian residential real estate has now passed the \$8 trillion mark, reaching \$8.1 trillion at the end of April, according to CoreLogic.



Source: CoreLogic

CoreLogic head of research Eliza Owen said that puts the value of residential property at:

- 4 times the size of Australia's GDP
- \$1 trillion more than the combined value of Australia's stock market, superannuation savings and commercial real estate stock

This valuation landmark is an important reminder that whether you want to refinance an existing loan or buy a new home, it's vital to know the value of the property.

If your loan-to-value ratio (LVR) is less than 80%, your mortgage broker will have a better chance of getting you a lower interest rate. Also, you won't have to pay lender's mortgage insurance (LMI).

Existing homeowners can borrow against the equity in their home, and use it to fund the deposit on an investment property.

Contact me if you want to refinance

ATO warns taxpayers about dubious expense claims



Australian Government

Australian Taxation Office

With more Australians now working from home, taxpayers have been warned not to “copy and paste” expense claims from previous years that would no longer apply.

The Australian Taxation Office (ATO) said it would look closely at anyone who claims significant working-from-home expenses, while also maintaining or increasing their claims for things like car, travel or clothing expenses.

“You can't simply copy and paste previous years' claims without evidence,” assistant commissioner Tim Loh said.

“But we know some of these unusual claims may be legitimate. So, if you explain your claim with evidence, you have nothing to fear.”

Mr Loh said the ATO expects working-from-home claims to increase, as the number of home-based workers has jumped since the pandemic.

“But, if you are working at home, we would not expect to see claims for travelling between worksites, laundering uniforms or business trips.”

Mr Loh said the ATO’s data analytics team would be on the lookout for unusually high claims.

“Particularly where someone’s deductions are much higher than others with a similar job and income,” he added.

ATO warns on ‘copy/pasting’ claims

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

Book a Free Appointment

Kind Regards,
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