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Welcome to the Christmas & New Year edition of my newsletter

First Home Owner Scheme (Deposit Gap)

“The First Home Loan Deposit Scheme is now extended to end of June 2021. This scheme addresses one of the greatest hurdles faced by those enthusiastically saving to purchase their first home, by adding the time they need to meet the lenders deposit requirements, or purchase expensive mortgage insurance:

- This will enable **approximately 10,000 first home buyers** for the remaining period, on low and middle incomes, the ability to purchase a home with a minimum deposit of **5% only** instead of the current **20%** of the property's value.
- While the bank will still require **the 20% deposit**, the government will provide a loan guarantee for the **15%** of the property's value. **The scheme will also remove the need for lender's mortgage insurance (LMI),**

Home Buyers Assistance Account Rebate

The [Home Buyers Assistance Account](#) Rebate scheme offers eligible First Home Buyers grants of up to \$2000 to reimburse you for some of the expenses involved in the purchase of your home(conditions apply). The grant can be used to cover fees and charges such as: mortgage registration fees, solicitor and/or conveyancing fees, valuation fees, inspection fees, establishment fees, mortgage insurance premiums and lending institution fees associated with the purchase of your home. You may be eligible for this Rebate if you are meeting certain criteria. You can call the Home Buyers Assistance Hotline on **6552 9484** or email hbaa@dmirs.wa.gov.au

For further advice, assistance with the application or any more information please check: <https://www.commerce.wa.gov.au/publications/home-buyers-assistance-account-guide-first-home-buyers>.

First Home Owners Grant (FHOG)

Is a once-off grant of up to \$10,000 offered by the WA State Government to assist First Home Buyers to purchase *new* residential homes to build their first home or purchase a home which has undergone substantial renovations. Conditions apply

First Home Owner Rate of Duty (FHOR)

is available to eligible First Home Buyers including those who are buying both *new and established* homes. These exemptions/concessions will be phased out for properties over \$530K. Conditions apply



What is REIWA Information Service or public inquiry?

REIWA launched a public information service in 1992 to assist buyers, sellers, tenants and landlords to navigate their property journeys. This valuable service allows members of the WA public dealing with a REIWA agent to find answers to their real estate queries and concerns

- The REIWA Information Service team is comprised of two full time staff members and 70 local REIWA agents who give three hours of their time every few months on a voluntary basis.
- To have your real estate query answered, you need to be dealing with a REIWA agent
- Residential property management continues to be the most common topic the public enquire about, with 70%t of all phone calls for the year to date received from tenants and landlords. The remaining 30% of calls have generally related to residential sales.
- the REIWA Information Service number is: **9380 8200**.

Is presentation essential at home opens?

First impressions count, so you want to ensure your home is clean and tidy. Also, consider things like natural light and fresh air, ensuring your home has a pleasant smell, but nothing overpowering, and that the temperature is comfortable.

- Presentation can make a big difference to the success of your home open. While it's not necessary to undergo a full renovation beforehand, making some cosmetic improvements to the property, including the garden, decluttering and painting, can go a long way in attracting more interest.
- Home opens are also an excellent way to get quick feedback from property seekers on the presentation and effectiveness of the campaign implemented.

What is a structural vs significant (major) defect?

The purpose of the inspection is to provide advice to a perspective purchaser or other interested party regarding the condition of the property at the time of the inspection.

- **Major defect:** A defect of significant magnitude where rectification has to be carried out in order to avoid unsafe conditions, loss of utility or further deterioration of the property.
- **Structural defect:** Fault or deviation from the intended structural performance of a building element.

Here is where it gets tricky - *Compliance* issues found in a building inspection. Is it wrong? This depends on the problem, if non-compliance is part of a structural or major defect (i.e: unsafe) then it can be reported, however if a 120-year-old Fremantle or Guildford gem with the original roof cover is not tied down, is that a Major defect? It is suggested that if there is no indication of lift or failure after 120 years, it's fair to say it's okay. The other problem here is that nearly every property that has had extensions, renovations, electrical or plumbing work of any type over the years would probably NOT be compliant by today's safety standards. This does NOT mean that it is unsafe or should be raised in an alarming way. Like most things, when you know how to fix a problem, it is not really a big problem anymore. Contrastingly, when you say things in an alarming way, people become alarmed.

What is negative gearing?

Negative gearing is when you borrow money to invest into an asset (a property or shares) and the income you make from that investment, i.e. the rent/dividend, is less than your expenses, meaning that you're making a loss. Negative gearing works if the money an investor makes from a property or share's capital growth is greater than the loss. they make from the rental/dividend shortfall.

* Don't judge yourself with other because you are different from them.
* I don't trust words; I trust Action.

As we bid farewell another challenging 12 months in year 2020, G Hanna Real Estate would like to take this opportunity to thank all of you for your business and kindness throughout the year and wish everyone a very Merry Christmas and a safe, happy and great Year ahead.
We look forward to continue providing you with a quality service in 2021.

Do you know that Australian homeowners spending 10.6 years in their houses before they change ownership!