

MONEY MATTERS

KEEP YOUR OPTIONS OPEN TO AVOID MISSING OUT ON A FANTASTIC DEAL



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Will your first home be your dream home?
Your forever and ever home?
Your happily ever after home?
Probably not.

The notion of the perfect house in the perfect suburb may be the ideal scenario but it may not be your first property purchase.

This is mainly because your deposit is not large enough and/or you do not have the capacity to pay a big mortgage. To avoid missing out all together, it is important to keep in mind that the most important step to make on the property ladder is the first step. Firstly, don't be afraid of looking in "up-and-coming" neighbouring suburbs that have a lower median price. Neighbouring suburbs will have some similarities with your dream suburb in terms of location and amenities but at a more attainable price range. These suburbs also tend to

increase quite significantly in value over time because they are in proximity to suburbs of a higher value.

So get in while you can! Secondly, don't shy away from purchasing a home that needs a little bit of TLC.

While large-scale renovations or structural repairs may be outside your budget, smaller scale works can transform an ugly duckling into something far more beautiful. This will also add to the value of the property.

For example, ripping up old carpets and polishing floorboards, painting both inside and outside, replacing an old front fence and even landscaping can work wonders for a property.

The next step for the brave homeowner would be to renovate the kitchen and bathroom, as this is an excellent way to improve the home and add value.

Aim to purchase your first property in an area that offers good capital growth.

It is important that the property increases in value over time (the quicker the better) so that when it comes time to sell and buy something higher up the property ladder, there is enough profit from the sale to do so.

Keep in mind that the sale price not only needs to provide enough profit to buy something bigger and better - it also needs to cover the selling costs of your home and the buying costs of the new property. Getting into the property market is arguably the hardest part.

Saving for a deposit and searching for a home are not easy. You may need to swallow your pride but if you remember that first homes are not usually your dream home and look for something in an area that will provide good capital growth, even if it needs some repairs along the way, should provide you with the opportunity to buy a bigger and better home next time. Happy househunting!

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