UP TO $70k: What first home buyers can claim in each state

Hi everyone,

I hope this newsletter finds you well and busy.

It has been a little while since an IFP Advisory newsletter has gone out due to Covid-19. We have done well in Australia so far but we still need to be vigilant. **Here is to a great New Financial Year.**

In this newsletter we look at the money the Government (Federal and State) is giving people, we take a brief look at the Adelaide market, we look at how the media reports things and how our Property Advisory helps people create wealth.

Please enjoy.

UP TO $70k: What first home buyers can claim in each state

The government's $25,000 HomeBuilder scheme will see home owners and first home-buyers who choose to build get a leg up.

If you're a first home buyer, it's especially good, as the grant is complementary to existing state and territory first home owner grants and stamp duty concessions.

Here's a complete breakdown of all the subsidies available to first home buyers in every state:

Sydney: $35,000 + stamp duty exemptions

In Sydney, first home buyers who purchase new homes will receive a grant of $10,000, in addition to certain stamp duty concessions.

The First Home Buyers Assistance Scheme provides that if your home is valued at $650,000 or less, you can apply for a full exemption of stamp duty.

If the home is valued between $650,000 and $800,000, you can apply for a concessional rate of transfer duty, and the amount you pay will be based on the value of your home.

This, combined with the $25,000 HomeBuilder scheme will see those who construct new homes receive $35,000 from the government, plus any stamp duty concessions.

To apply: You can apply for the First Home Owner Grant scheme through your bank or financial institution when you arrange finance to buy your home.

Melbourne: $45,000 + stamp duty concessions

Melbournians purchasing or building a new home valued up to $750,000, they may be up for $20,000 from the government if the home is in regional Victoria and $10,000 if it's not.

The home must be less than five years old to be eligible for the grant.

You'll also be up for a stamp duty exemption if your home is valued at less than $600,000, and a concession if it's valued between $600,001 and $750,000.

Home buyers purchasing off-the-plan properties are also eligible for a concession.

To apply: Eligible applicants can complete and lodge an application form with the Victorian State Revenue Office, or the bank or credit union providing their finance can lodge it for them.

Adelaide: $40,000

The First home Owner Grant (FHOG) in South Australia applies to the purchase or construction of a new residential property, including a house, flat, unit, townhouse or apartment.

From new homes purchased or constructed after 15 October 2012, the FHOG is up to $15,000.

The residential property must be occupied by the applicant for at least six months, commencing within 12 months of the date of settlement for contracts to purchase, or the date construction is completed.

That means those who purchase a new home are eligible for up to $15,000 in concessions.

This, combined with the $25,000 HomeBuilder scheme will see those who construct new homes reap $40,000.

To apply: Eligible applicants can complete and lodge an application form with Revenue SA or an 'approved agent', like their bank.

Brisbane: Up to $55,925

First home buyers in Brisbane are eligible for a $15,000 grant, if the property they purchase or construct is valued at less than $750,000.

To be eligible for the grant, home buyers must move into the new home as their principal place of residence within one year of the completed transaction and live there continuously for 6 months.

First home buyers purchasing a home valued under $550,000 are also eligible for a first home stamp duty concession valued at up to $15,925. For amounts of $550,000, other concessions apply.

This, combined with the $25,000, could save first home buyers around $55,925.

To apply: Eligible applicants can complete and lodge an application form with the Queensland Office of State Revenue, or through their bank.

Perth: Up to $70k

First home buyers in Perth are the big winners.

The state government introduced a $20,000 Building Bonus Package earlier this month - on top of the government's $25,000 HomeBuilder scheme.

It's also combined with the state's existing $10,000 first home owner grant and stamp duty concessions, which means some first home buyers will pocket nearly $70,000.

The concessions apply if the property value does not exceed $750,000 south of the 26th parallel, or $1,000,000 for properties north of the 26th parallel.

To apply: Eligible applicants can complete and lodge an application form with the WA Office of State Revenue, or through their bank.

Canberra: $25,000 + stamp duty axed for some

Currently, first home buyers in Canberra are eligible for a $7,000 grant for building a new home or purchasing a substantially renovated or off-the-plan home until 30 June 2019.

We can source properties all over Australia to fit the above circumstances which can then convert to rental properties at a later date. Speak to us about how we can help you and your children create wealth via property.

Here we take a brief look at the Adelaide Property Market – June Market Report

In the midst of the economic shadow of the health crisis, house values across Adelaide tracked at an incline of 0.4% in April as per CoreLogic's Home Value Index. In the week ending 17th May, there was a further 0.1% rise.

President of REISA, Brett Roenfeldt says in a media address, "It is great news that the median price recorded this quarter is still the second highest median price ever. While this quarter only partially captured some of the effects of COVID-19, it is nevertheless, a terrific result."

While the number of houses that were settled in Adelaide in the March quarter fell short of that of the previous quarter, and the same was across the state, both of these figures were "significantly up from the same quarter last year", Roenfeldt notes.

Values in Adelaide hold as new activity dwindles

Unemployment across the state in March hit 6.2% but the most recent data reveals that values have not slid, according to Herron Todd White's *residential report* for May. It's also stated that a clearance rate of around 30% remains on par with the same time of the previous year.

However, there is a significantly lower number of new properties being debuted on the market – "down nearly 40% on the same time last year," Herron Todd White's report notes.

CoreLogic data for the week ending 17th May reflects this trend; reporting that while Adelaide's clearance rate surpassed that of the same time last year, up by 20.7%, total properties at auction dropped from 83 to 10.

Overall, the state is one of the most consistent property markets in Australia, given the steady demand, solid local economy, and housing affordability, adds Emma Slape, CEO of Turner Real Estate.

"We are seeing more and more young interstate people buying in Adelaide to get their foot into the property market — while they continue to rent interstate," she says.

Adelaide's rental market is also in good shape and would be able to absorb the extra rental stock coming into the market. In fact, even with the increase in the number of housing stock in April, Adelaide still has one of the lowest vacancy rates amongst all capital cities at 1.2%, according to SQM Research.

Slape says the housing market of South Australia, in general, is not vulnerable to extreme price fluctuations.

"This will help hold our prices a little firmer. There is still activity in both the rental and sales market, and this is expected to continue along, just at a slower pace than we have seen previously. In the next few years, we may not see strong price growth, but more so stability in pricing," she says.

State	Region	Property Type	Median Price	Quarterly Growth	12 month Growth	Weekly Median Advertised Rent	Gross Rental Yield
SA	Metro	Houses	$465,000	0.0%	1.8%	$385	4.4%
SA	Metro	Units	$326,172	-0.4%	0.1%	$330	5.1%
SA	Country	Houses	$280,000	0.0%	1.9%	$270	5.1%
SA	Country	Units	$210,000	0.0%	0.0%	$210	5.2%

Source: CoreLogic, June 2020

So, here is an opportunity:

Why not look at getting our children invested in the market and take advantage of the Grants both Federal and State Governments are providing. If we take an investment mindset the kids can live in the house and then later they can rent it and make it an investment property.

For those of you interested in South Australia we currently have available properties to be constructed in Blakeview, Aberfoyle Park, Mount Barker, Modbury, Kilburn, Ingle Farm, St Clair, Prospect and we can source others on request.

Media Reporting – Smart Investors Don't Follow the Headlines

We thought would share this article, did you know that on the 11th of June the stock market in Australia lost more than $50 Billion dollars in value? You may not.

It was reported on page 14 in a 1/6th, ½ page column in the Herald Sun.

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FRIDAY, JUNE 12, 2020 HERALDSUN.COM.AU

CORONAVIRUS RECOVERY

Tapping into help

Pubs seek JobKeeper extension

MITCHELL VAN HOMRIGH AND CLARE ARMSTRONG

THE peak industry for pubs and hotels workers has called for JobKeeper to remain after its September deadline as the government weighs up introducing targeted support for hardest hit industries.

The scheme, which has kept businesses afloat and thousands of people in work during the pandemic, is expected to end in three months.

Australian Hotel Association CEO Stephen Ferguson said without the JobKeeper program continuing the industry would be left in a "horrific" position.

Mr Ferguson is calling for it to remain until December or be replaced by another wage support scheme.

"JobKeeper is the one immediate cash flow vehicle that helps both businesses and their employees. The government's done a good job to get us where we are, but if it is taken away there will be serious losses," Mr Ferguson said.

"If JobKeeper is taken away it would be horrific."

Treasurer Josh Frydenberg sought to assure businesses they would not be left in the cold when JobKeeper ended.

"When it comes to other sectors of the economy, whether it is the tourism sector or the arts sector, we continue to look at our options to build on announcements we've made already," he said.

"I don't want to pre-empt the review but I do know JobKeeper right now is supporting so many Australians."

The Morrison Government has been careful to avoid pre-empting the JobKeeper review, but it is understood extending it in some form for industries — including hospitality — has not been ruled out so far.

The AHA's Victorian chief executive Paddy O'Sullivan said pubs and clubs would probably have to close their doors by the end of the year.

"Pubs will have to let staff go that would have otherwise been able to keep them employed under the wage subsidy," Mr O'Sullivan said.

At the All Nations pub in Richmond, owner Bob O'Kane said JobKeeper was a "lifeline".

"We have bills that have built up so extending JobKeeper would just afford us some breathing space with the wages bill," he said.

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Bob O'Kane at the All Nations Hotel in Richmond. Picture: TIM CARRAFA

Market in $57b rout

MORE than $50 billion has been stripped from the value of companies on the Australian stock market in the biggest sell-off in almost six weeks.

The nation's benchmark share index, the ASX 200, fell 3.1 per cent yesterday to halt seven days of gains.

It came amid renewed jitters over the pace of economic recovery in the US and followed a spike in new coronavirus cases there, leading to fears of a second wave of infections.

Overnight Wednesday, Federal Reserve chairman Jerome Powell warned the US faced a "long road" to recovery.

There was "a risk of longer lasting damage to the economy", he said.

Officials in the US said they expected the jobless rate, at 13.3 per cent, would still be above 9 per cent at year's end.

The downbeat outlook set the tone for the share market here, which fell sharply at the open.

About $57 billion was cut from the value of companies in the ASX 200. The 3.1 per cent fall was the deepest for any session since May 1.

At 5960.6 points, the index is 16.8 per cent below February's record but still 35 per cent above its March low.

BUSINESS DAILY, PAGE 60

At least the Financial Review had it in a small 1/6th column, 2 paragraph section on the front page, but still not a headline by any means!

BOSS What Dig Howitt learnt at home, plus Zoom fatigue

FINANCIAL REVIEW

PM's border, protest plea to states

After seven-day rally, sharemarket tumbles

The Australian sharemarket posted its worst session in more than a month yesterday as investors returned to defensive positions after confidence in the pace of the global recovery was checked by the US Federal Reserve.

The S&P/ASX 200 Index fell 187.8 points, or 3.05 per cent, to end the session at 5960.6, bringing a 7 per cent,

The Australian at least made it a larger Bold Headline on page 13.

THE AUSTRALIAN · THE WALL STREET JOURNAL

BUSINESS REVIEW

CRYSTAL GAZING

Why analysts predict a dire future for base metals

JOYCE MOULLAKIS

Time for banks to get professional and follow NAB's lead

OFF TO SEA

Cruise line industry hopes for big relaunch

FED SEES 'LONG ROAD TO RECOVERY'

Reality check slashes $57bn off markets

Gupta's GFG takes axe to costs, jobs

MARGIN CALL

Qukes are hot — just ask Harvey

Property values aggregated nationally report a 0.5% reduction over 3 month period and it is a front-page headline, prop-ar-geddon doom and gloom, crash, end of the property market as we know it……… (Until the following week when the headlines are property boom!)

A classic example that investor should follow the analysis, research and data, not the newspaper or media!

We often get asked – 'How does IFP Advisory help people create wealth through property'?

IFP Advisory provides professional and personalised strategies for people wishing to invest in new property in the Australian property market. Whether it is for first home owners, investors starting out or with a large number of investment properties or for busy people. We are here to make your property investing life easy. Our associations and industry experience provide us with an ideal platform to service the needs of our clients and their friends and associates with integrity and efficiency, whereby offering an authentic and empowered experience. As qualified members of the ASPIRE Advisor Network, our advisors provide clients with a genuinely independent and compliant service.

How we work with you:

- Access to our qualified Property Advisors with proven knowledge and experience.
- Detailed research and reports to compliment strategies specifically tailored to your needs circumstance and financial goals.
- Access to a broad range of properties Australia wide, with the aim to present you with above average investment opportunities.
- Assisting our valued clients through research, education and investment property advice.
- State of the art online property portal presenting property information in a consistent and unbiased format.
- Complete after sales support, online tracker, administration and portfolio review.
- We have set the standards very high – we have Professional Indemnity Insurance for all of the advice we provide. We are members of the Property Investment Professionals of Australia (PIPA) and John (our Managing Director) is also a Qualified Property Investment Advisor (QPIA), one of only a handful of people in Australia with such a qualification.

What is the benefit of working with a QPIA?

QPIA® QUALIFICATION/PROPERTY INVESTMENT ADVISERS

A QPIA® is an essential partner for property investors, helping you to make well-considered, strategic property investment decisions.

As a QPIA® we can work with you to build a personalized, long-term property investment plan, that not only meets your needs and goals today, but builds the right foundation to ensure you meet your future goals and aspirations too.

Furthermore, a property investment adviser can explain the risks associated with investing and ensure your investment plan matches your risk profile.

A qualified property investment plan will usually offer recommendations for investment supported by clear evidence and reasoning as well as guidance around anticipated performance, in terms of capital growth and rental income projections.

Many people might claim to be property investment advisors, but actually are not, so be sure to look for a QPIA®.

QPIA®'s adhere to a strict Code of Conduct and only a QPIA® has the appropriate formal qualifications to provide genuine property investment advice.

Remember, good advice can make all the difference between an average property investment and a thriving one.

In closing at this stage

Either contact us via e-mail or call us to find out more and from the team at IFP Advisory, here is to a fantastic New Financial Year.

Please remember that referrals are very important to us. So, if we have done a great job for you, the best compliment that you can give us is to refer us to someone that needs property investment advice. Therefore, if you know of anyone who needs our service, please do not hesitate to pass on our details.

At this stage, we will sign off, and remember we are only a phone call away. Even when you are not sure if we are able to help or you believe we cannot help, please still call us. You will be surprised in the areas we are able help you with.

From all of us at IFP Advisory, stay safe.