

WELCOME TO OUR

Monthly Newsletter



... and thank you for being a part of our community! As the year winds down and the holiday season approaches, we want to take a moment to thank you for being a massive part of our 2024.

In this Christmas edition of our newsletter, we're sharing some final property news/insights to round out the year, a bit more about us at Connect Through Property, and an extensive 'Connect Corner' full of information to best prepare you for 2025.

And if you're after even further property investing information, we recently featured on 'The Finance and Property Survival Guide' podcast where we shared our thoughts on the 2024 market, what we could expect in 2025 and some key mistakes to avoid when investing. Feel free to check it out on Apple or Spotify!

We hope you enjoy reading and find inspiration as we head into 2025. Wishing you and your loved ones a joyful holiday season and a prosperous New Year ahead!

Happy reading!

In this newsletter you will find:



News and market insights from the first few weeks of December, a 'Meet the Team' section, and an in-depth 'Connect Corner' packed with valuable information.



- **RBA holds cash rate at 4.35%** - At their December meeting, the RBA left the cash rate unchanged at 4.35%, with three of the big four banks now predicting May for the first interest rate cut. (source: RBA)
- **Queensland stamp duty abolition for first home buyers** - Legislation introduced by the QLD government will remove stamp duty for eligible first home buyers from January 2025, for new builds and land. (source: APU)
- **Significant federal legislation passes to hopefully aid Australia's housing crisis** - The Help to Buy Scheme and legislation to incentivise developers to complete Build to Rent projects, have passed through Federal Parliament. These legislative changes will aid low/middle-income earners access housing, and promote the production of 80,000 rental homes over the next decade. (source: Hotspotting)
- **Australian property market value surpasses \$11.1 trillion** - Now worth \$11.1 trillion, Australia's property market constitutes more than half of Australia's household wealth. Equally astonishing, this figure surpasses the combined value of all Australia's superannuation funds and listed stocks. (source: CoreLogic)
- **Rental growth slowing** - Rental growth has halved in the past 12 months, with gains of 7% experienced in the past year, versus a 14% increase the year prior. (source: PropTrack)
- **Regions firing** - Regional dwelling prices outpaced capital cities both in the quarter to October (1.1% vs 0.8%), and annually (6.0% vs 5.4%), with affordability underlined as a key reason for the top performing areas. (source: CoreLogic)

Meet the Team

After getting some new headshots done recently, we thought it'd be a good opportunity to share a bit more about us at Connect Through Property.



JESS HYLAND **FOUNDER/BUYER'S AGENT**

Jess founded Connect Through Property with her husband Jacob after discovering their passion for property following a decade of investing themselves. She has since assisted clients purchase high-growth investments Australia-wide, utilizing her unique, analytical skill set obtained from her former career as an engineer.

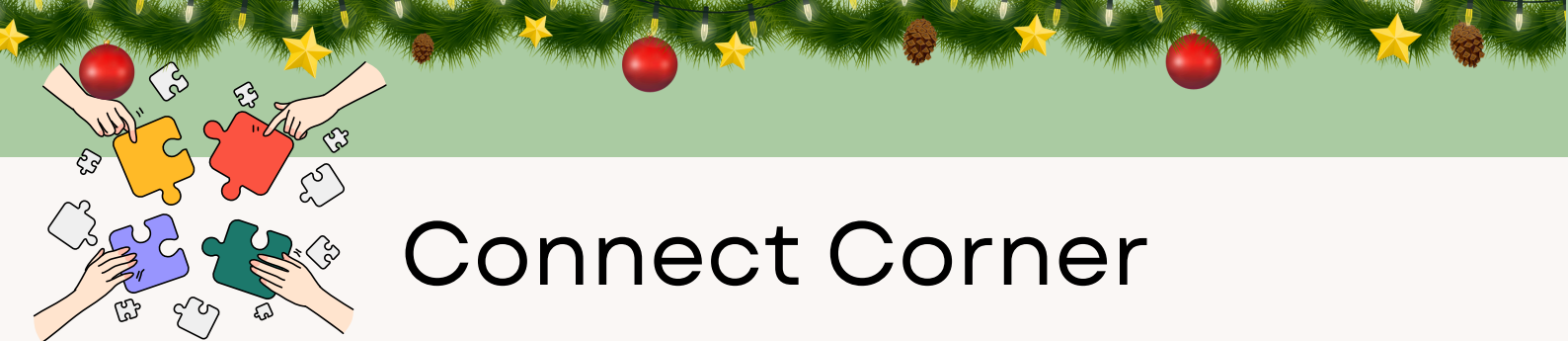
In her free time, you'll find Jess checking out the best camping spots with husband Jacob, her two boys and young pup Maggie.

TOM DRUMMOND **BUYER'S AGENT**

Tom has joined Connect Through Property in 2024 as the business continues to grow. A multiple property investor himself, driven by data and with a keen eye for detail, Tom has been key in sourcing the future investment locations for clients at Connect Through Property.

When not at work, Tom enjoys anything active and finding great walks with his wife Samantha and two beagles, Molly & Bean.





Connect Corner

Providing valuable education from other industry professionals each month, helping you make informed investment decisions and stay ahead in the market.

For this month's Connect Corner, we've leant on the expertise of **Sion Titus** of **Lending Hands Mortgage Brokers**.



1. **A bit about yourself, your business, where you're based & who do you help?**

My name is Sion, and I'm a mortgage broker for Lending Hands Mortgage Brokers. I'm married to my wife, Andrea—our story is a fun one: we went from being neighbours to best friends, to forming a wedding band together, and eventually becoming husband and wife! I'm based in Sydney, but I work with clients all over Australia. Whilst I help people in all stages of their property journey, most of my clients tend to be first-time buyers or first-time investors. I love working with this group because it's really rewarding when I get to guide them through what can often feel like a complex world of mortgages, ensuring they're set up for long-term success.

2. **Best advice for individuals/couples looking to improve serviceability?**

1. Income:

Explore opportunities to increase your income, like consistent overtime or a second job.

- For a second job, permanent part-time roles are preferable. Though casual is fine, you'll likely need to work there for six months before being able to use the income for the bank application.
- Avoid ad-hoc or sole trader side hustles, as banks typically require two years of consistent income for self-employed roles.

2. Expenses:

- Review your spending habits. Banks set a baseline for living expenses based on household structure (e.g. around \$3,900/month for a couple earning \$80K each).
- If your spending exceeds this, look for ways to reduce discretionary expenses.

3. Existing Commitments:

- Eliminate consumer debts like car loans or high-limit credit cards, as they significantly impact borrowing capacity.
- Minimize or clear existing debts before taking on new ones to maximize serviceability.

For those who live in high-cost areas (like Sydney) and are struggling to purchase a home to live in, consider alternatives like rent-vesting. This involves renting where you live and purchasing an investment property elsewhere. Sharing rent while purchasing an investment property can also reduce expenses and boost income at the same time. Couples might also find this a sustainable way to enter the market and build long-term wealth!



Connect Corner

3. What are the key factors that lenders look at when assessing whether someone is eligible for a mortgage?

When assessing mortgage eligibility, lenders consider the 'Four C's of Credit':

1. Character:

- This reflects your trustworthiness and reliability.
- Key indicators include paying rent, utilities, mobile bills, and credit cards on time. Missed payments can raise red flags for lenders.
- Quick note on credit scores: Not a major factor in Australia! Having no score when applying for your first mortgage won't disadvantage you. But... a bad credit score can have a negative impact.

2. Capacity:

- This focuses on your ability to afford loan repayments.
- It's primarily about your income and whether you have enough additional capacity to handle the mortgage commitment.

3. Capital:

- This is the amount of cash you can contribute as a deposit. A higher deposit reduces risk for the bank, while a smaller deposit may be seen as riskier.
- So general note: a deposit of 20% and above is seen as less risky but a deposit of less than 20% is seen as risky and therefore there are typically additional charges like Lenders Mortgage Insurance (LMI) with higher interest rates. There are ways to purchase with a smaller deposit without these additional charges, so definitely explore that with a lending expert.

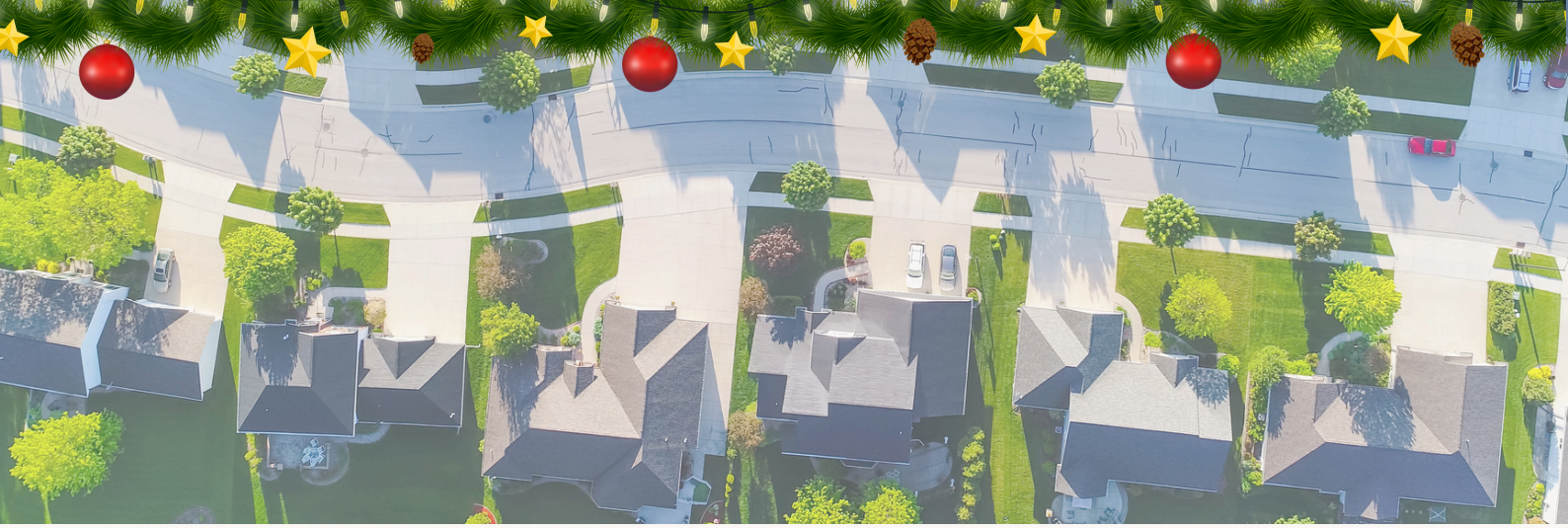
4. Collateral:

- This refers to the property you're buying.
- Lenders analyze its value and any potential issues with the property, like structural concerns or problems with certain postcodes.

4. Favourite part about your job?

My favorite part of the job is the privilege of being trusted with what is often the biggest debt and biggest asset of someone's life. I love guiding people through the process of buying their first home—it's incredibly rewarding to think about how the property I help them secure will become the place where they create lifelong memories: raising kids, growing old, and enjoying life together. For my investment clients, it's about helping them build financial stability. In an indirect way, I'm enabling them to do the same thing by empowering them to take control of their finances so they can focus less on money and more on living a fulfilling and enjoyable life. It's this deeper impact—helping people feel secure and confident in their future—that makes this work so meaningful to me!

Thanks for the wealth of information Sion! If you'd like to know more or get in touch with Sion, reach out at sion@lendinghands.com.au or via their website <https://www.lendinghands.com.au/>



CONNECT

Through Property

*Helping individuals and families achieve their goals of financial freedom
and building a successful property portfolio.*

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