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Your guide to downsizing in the City of Melville

22-24 Kearns Crescent, Ardross

How do I know when the market is right to downsize my family home?

How and when to downsize is one of the biggest decisions any couple or individual can make in their lifetime. You've spent your working life paying off the family home, and in most cases, this is the most valuable asset people have. Maximising its financial return, whilst ensuring you find a new home that suits all of your lifestyle desires, is key to getting the move right.

So if you no longer need the space and maintenance of the big family home and are looking to transition into the lifestyle of a designer apartment residence, then you may find the following information helpful as you embark on this journey of change.

We have a lot of experience in helping people move through this process, so we're here to help you too.



What are the selling conditions in my local market?

A lot of sellers think that the best time to sell is when the market is deemed to be at its peak. This is not necessarily true – the best time to sell is when there is a scarcity of homes on the market, and you have a property that people want to buy.

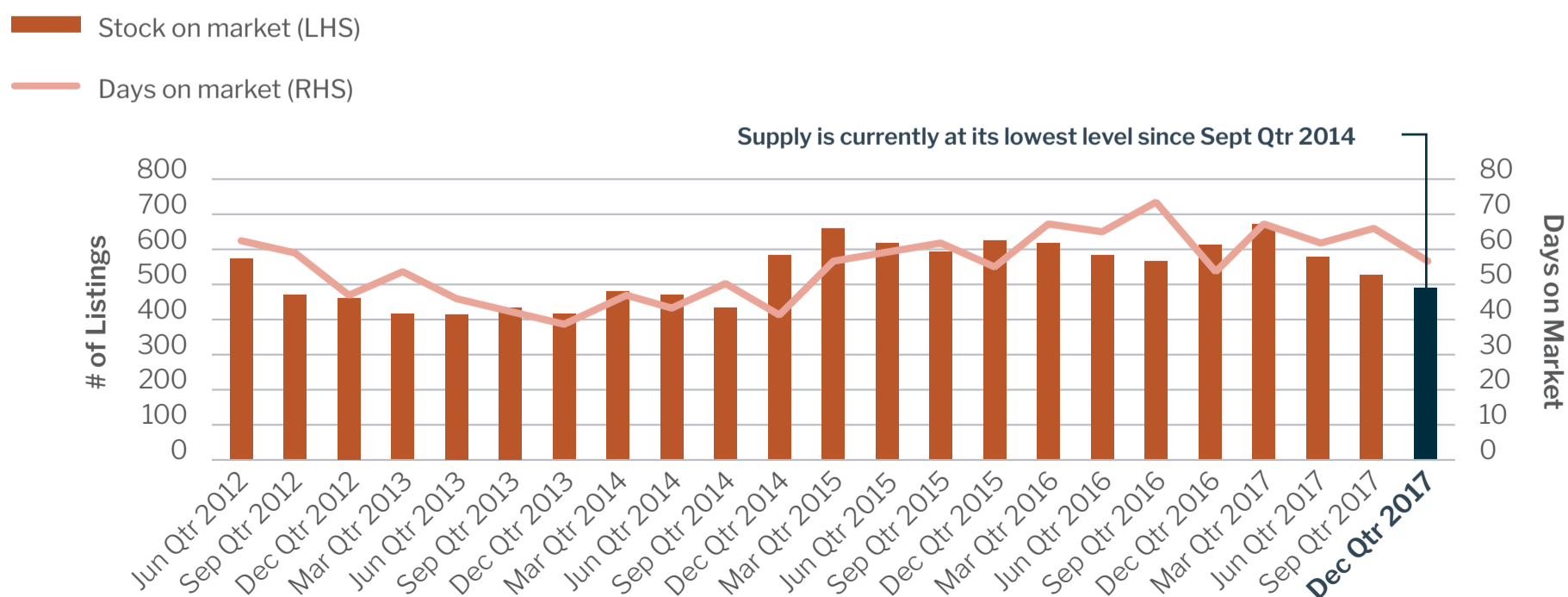
The less supply in the market, the better price you will get as buyers have little choice and want to snap up a good property.

Yes, you need to prepare your property the best you can for sale, so that it appeals to the many young families who are out looking for a new family home, but are currently suffering from a significantly low level of supply.

Key indicators in the City of Melville

- There has been a plummet of 29% in supply of properties for sale in the second half of 2017 in the Melville area.
- This is lowest level of properties advertised for sale in 3 years.
- With less properties advertised for sale, properties are selling faster with average days on market now just 56 for the City of Melville.
- If your home is in good condition and is presented well for sale, with the right sales strategy, these market conditions allow you to achieve a peak sale price.
- The chart below highlights the typical relationship between low levels of stock and a reduced 'days on market' campaign as demand outstrips supply in the area.

Fig 1. City of Melville - Days on Market

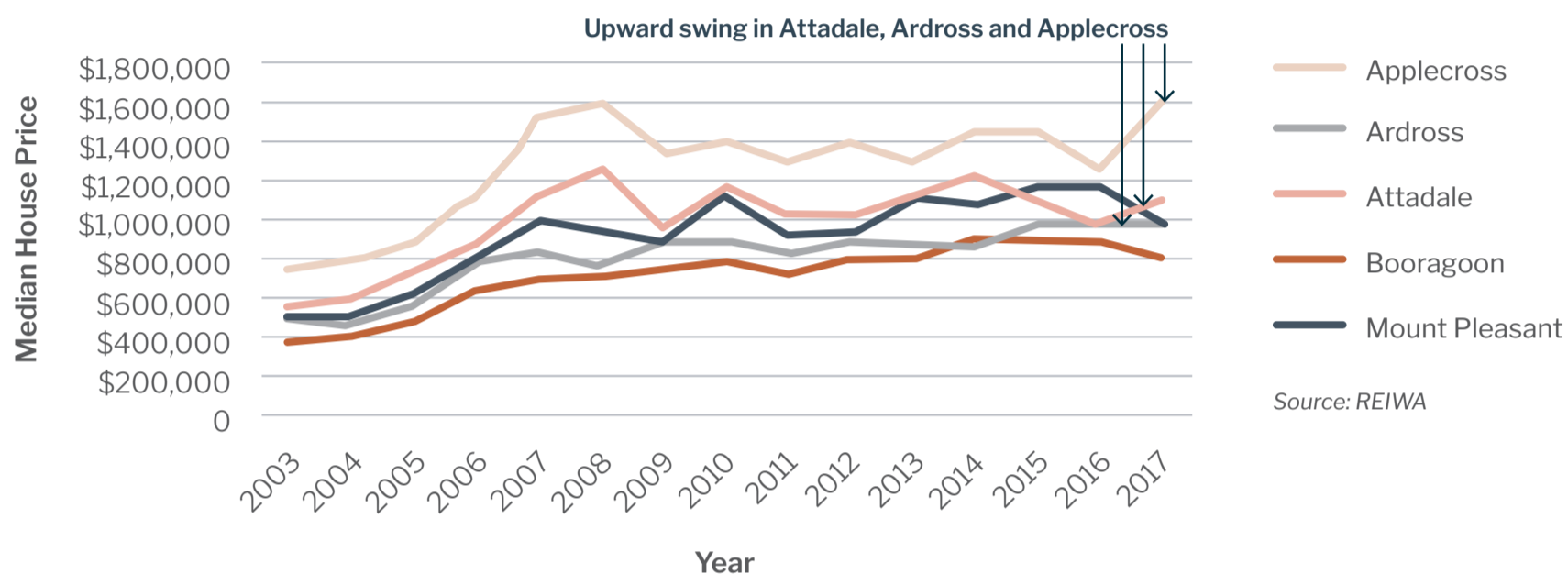


Source: REIWA

Median Prices

- In the last year, we have seen some positive signs emerging in Applecross, Ardross and Attadale with 27.3%, 1.5% and 9% price increases respectively.
- The decrease in stock and lower days on market suggest that we are at the bottom of the cycle.
- The City of Melville is starting to see the first stage of recovery, which was the resurgence of trade-up buyers pushing up the price of entry level homes in aspirational areas such as Attadale and Ardross.
- This will in turn create a ripple effect as trade up buyers become priced out of the more aspirational suburbs and raise the cost of homes in neighbouring suburbs.
- It appears that the Perth market is turning.

Fig 2. City of Melville - Median House Price



Are there any new superannuation benefits for downsizing?

As at the 1st of July 2018, when you sell your family home (principal place of residence), you can add an extra \$300,000 (for singles) to \$600,000 (for couples) into your superfund, tax free and exempt from various existing limits on superannuation contributions. This is ideal for retirees who have too many assets to be eligible for the pension, as it enables you to boost your tax-free super.

To be eligible for the incentive you need to:

- ✓ Be 65 years or older
- ✓ Sell your property on or after the 1st July 2018
- ✓ Live in your home for the last 10 years or more prior to selling
- ✓ Your home is in Australia and not a caravan, houseboat or other mobile home

If you can say yes to all the criteria, then the government is offering an exceptional incentive to make the move. For more information refer to the ATO website, downsizing contributions into superannuation: www.homeownership.gov.au/downsizers

The value of time

If you are attracted to the lifestyle benefits of living in a brand new designer apartment, keep in mind that buying off the plan gives you time to get organised for the transition to a lower maintenance home.

Key benefits which would be available to you include:

- Arranging the 10% deposit to secure your new home by way of bank guarantee (you can buy without touching your savings).
- Planning the move
- Decluttering, selling and donating a few of your possessions that you don't need or use anymore
- Preparing your home for an optimised sale
- Planning and researching all the items you would like to furnish your new home with

Buying off the plan, especially if you buy early, can give you up to 2 years to get your lifestyle transition just as you dreamed it to be. No rushing required, which gives you the extra time to do it right, with peace of mind.

We're here to help

One of the first steps of the downsizing process is to understand what your home is truly worth so that you can confidently plan your next move.

This might involve looking at what minor improvements you can make to your property to maximise the sale price, or you may want to rent your property out, so you can try living in an apartment for a period of time before you buy.

There's no better place to start than WA's leading real estate agency, **Space**.

We can help inform you about:

- ✓ The value of your home
- ✓ Make recommendations if required to improve the sale price
- ✓ Advise you on the best selling strategy for your home
- ✓ Talk to you about what to expect when buying off the plan and what to look for to feel confident in the quality and delivery of your new home
- ✓ Talk to you about what other considerations you should keep in mind when buying and selling



Your local property expert Chadd Boucher can help guide you and formulate the best plan for your circumstances. To find out more give Chadd a call on **0433 043 437** or email **chadd@spacerealty.com.au**



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