



**DOWLING**

Property  
Group

# PROPERTY REPORT

ISSUE 5

## WHAT'S INSIDE:

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First home buyer grants and assistance  
Recent sales results from the DPG team

# MARKET REPORT

## Australian Housing Market Predictions

***Well, now that the boom is over will the property market crash in 2023?***

They have obviously been listening to those perma-bears who keep telling anyone who's prepared to listen that the property markets are going to crash, but they've made the same predictions year after year and have been wrong in the past and will be wrong again this time.

You've probably also read those forecasts - you know... that property values will fall 20% to 25%. In fact... 'Property Prices Will Fall 30%' was a recent headline in the Australian Financial Review by a respected columnist, and here he was not talking about a specific segment of the market, but about "the Australian property market".

And he's probably not taking much "joye" in seeing how resilient our housing market is. Fact is.... a fall of this magnitude has never happened before. Not during the recession of the 1990s, not during the global financial crisis and not during the period of a credit squeeze in 2017-18.

The worst slump in the overall Australian property market was after the credit squeeze on 2016-17 and when there were concerns around proposed changes to negative gearing before the 2019 election. And at that time the peak to trough drop between December 2017 and June 2019 was 9.9%.

And considering the current state of the economy, our financial health and property markets there's no credible reason to suggest a fall of this magnitude should happen now.

Sure we're experiencing a housing market correction - it started at the beginning of the year in Sydney and Melbourne - and is now working it's way across the nation, but there will be no property market crash.

Yes, interest rates are rising, but they're only one of the many factors that affect home prices.

# MARKET REPORT

For a property market to "crash" there must be a large number of forced sellers and nobody on the other side of the transaction to purchase their properties meaning they have to give away their properties at very significant discounts.

Remember, home sellers are also homebuyers – they have to live somewhere and the only reason they would be forced to sell and give up their home would be if they were not able to keep up their mortgage payments.

This happens when:

1. Unemployment levels are high - which is not the case presently.
2. Mortgage costs (interest rates) zoom up - despite rising interest rates, they are only like you to get to where they were before the pandemic a couple of years ago and borrowers could cope then.

Sure, what happens next to our property market will be partly shaped by the speed and extent of further interest rate tightening's, but there are still many positive factors underpinning our housing markets which means that the property crash which the Property Pessimists are predicting is unlikely to occur.

And we know from recent history that neither the banks, our governments or the RBA want to see a housing market crash and they'd rather support mortgage holders than take over their homes.

The total value of Australia's residential property market is now worth \$9.7 trillion after growing at the fastest annual pace on record in 2021.

Residential property prices rose 23.7% through 2021, meaning that the collective value of the wealth of property owners increased by \$2 trillion in just one year alone!

*Source: DOMAIN*

**Should you require an accurate appraisal on your home, please call the Dowling Property Group Team - 02 4960 0499 Mayfield | 02 4958 8177 Hamilton**

# FIRST HOME BUYER GRANTS AND ASSISTANCE

## Property Tax

In late 2022 the NSW Government announced a new scheme for first home buyers which allows them to choose between an upfront lump sum transfer duty payment (once known as stamp duty) and a smaller annual property tax fee.

All first home buyers spending up to \$1.5million on a new or existing home will be eligible. It is also available for land purchases up to \$800,000. It is not eligible for commercial properties.

Existing stamp duty exemptions and concessions continue to apply for eligible purchases up to \$800,000.

## So what is the difference between stamp duty and the annual property tax?

Stamp duty, or transfer duty, is a lump sum calculated as a percentage of the property's purchase price and is made up front on transfer of the property.

The annual property tax is based on the land value of the purchased property. The rates will be \$400 plus 0.3% of land value for properties that are owner occupied. If the property is an investment the rates will be \$1500 plus 1.1% of land value.

## What happens when I sell if I choose to pay the annual fee?

The tax will be payable for as long as the property is owned. If there are any outstanding taxes when you decide to sell the property the outstanding amount must be paid by the seller prior to the sale/transfer. The property itself is not locked into the property tax so it will not affect any subsequent purchasers.

## Current Transfer Duty Exemptions and Concessions

If you are a first home buyer and you are buying a new or existing home up to the value of \$650,000 you will pay no transfer duty. If the home is valued between \$650,000 and \$800,000 you can apply for a concessional transfer duty which will be based on a percentage of the value of the home.

If you are a first home buyer and you are buying vacant land up to the value of \$350,000 you will pay no transfer duty. For land valued between \$350,000 and \$450,000 you can apply for a concessional transfer duty which will be based on a percentage of the value of the land.



# FIRST HOME BUYER GRANTS AND ASSISTANCE

## **First Home Buyer Grant**

A \$10,000 First Home Owner Grant (FHOG) is available when you buy or build your first new home. Your first new home can be a house, townhouse, apartment, unit or similar that is newly built, purchased off the plan or substantially renovated.

If you are purchasing newly built or a home that was substantially renovated by the seller the purchase price must not exceed \$600,000. If you are purchasing vacant land and sign a building contract the combined cost of the land and contract price must not exceed \$750,000.

**Should you wish to discuss your options further, please feel free to call the Dowling Property Group Team - 02 4960 0499 Mayfield | 02 4958 8177 Hamilton**



# THE CURRENT RENTAL MARKET

## From the Property Manager:

We have well and truly settled into business as usual in 2023, and we are seeing the rental market has picked up compared to where it was sitting at the conclusion of 2022. Properties are being listed and leased rapidly, and there is still much relocation of tenants from Sydney to the Newcastle area. The demand for rental properties has increased with open homes having higher attendance numbers due to the seasonal change and the commencement of new career opportunities, and the TAFE and University semesters.

Rents in the Newcastle Region are now on average \$580 per week, with a vacancy rate of 2.85%

## Vacancy Rates

SUBURB	% RATE
MAYFIELD - 2304	0.8%
TIGHES HILL - 2297	2.1%
WARATAH - 2298	2.7%
HAMILTON - 2303	0.9%
ADAMSTOWN - 2289	0.6%
NEW LAMBTON - 2305	0.8%
WALLSEND - 2287	1.8%
NEWCASTLE REGION - 2300	1.2%

\*This information has been sourced from RP data core logic. the information is deemed reliable but not guaranteed.

# RECENT SALES

Sold by BRADLEY PAGE



2 bed | 1 bath | 1 car



This unit is outstanding; Set in a complex of four, fully fenced and landscaped, and has its own private front yard. Boasting high ceilings, picture rails, polished floorboards, split system AC, two large bedrooms, renovated kitchen and bathroom, and a private ground floor balcony.

**1/36 HIGHFIELD STREET, MAYFIELD SOLD \$620,500**

Sold by MARIA DI CLAUDIO



3 bed | 2 bath | 4 car



Renovated to combine its original ornate features with sleek contemporary finishes, this beautiful home is alluring and open. Its home encompasses a classic floorplan and a choice of multiple indoor and outdoor living areas, offering comfort, space and a perfect lifestyle for the whole family to enjoy.

**46 WARATAH STREET, MAYFIELD SOLD \$1,150,000**

Sold by DARYL JOHNSON



4 bed | 2 bath | 2 car



Low-maintenance, modern living, with a covered outdoor entertaining area and an easy-care yard. Huge open plan living areas. Four large bedrooms with built-in robes. Ideally located to all conveniences. Ample storage and large double auto garage. 530sqm block size approximately.

**19 DUNBAR ROAD, CAMERON PARK SOLD \$860,000**

Sold by STEVE DORMAN



3 bed | 2 bath | 1 car



Exquisitely presented, this spectacular residence has attention to detail to an exceptionally high standard. Spreading over two superb levels, with a provincial modern style kitchen, huge master bedroom with walk in robe, two generous living areas and a wine cellar.

**29 ROBERTS CIRCUIT, LAMBTON SOLD \$1,730,000**



# MEET THE TEAM

Our expert team has added some fresh new faces in the New Year, and the old ones are as busy as ever providing quality service in Mayfield, Hamilton, and the greater Newcastle area.



**Joe Di Claudio**  
LICENSEE & REGISTERED VALUER



**Daryl Johnson**  
LICENSED REAL ESTATE AGENT



**Alison Malloy**  
PROPERTY MANAGER



**Maria Di Claudio**  
LICENSED REAL ESTATE AGENT



**Steve Dorman**  
LICENSED REAL ESTATE AGENT &  
AUCTIONEER



**Bradley Page**  
LICENSED REAL ESTATE AGENT,  
AUCTIONEER & JP



**Aaron Kooyman**  
ASSISTANT REAL ESTATE AGENT



**Tyrone Garz**  
SALES ASSISTANT



**Linda Battishill**  
PROPERTY MANAGER



**Kira Badger**  
PROPERTY OFFICER



**Kathleen Lewins**  
RENTAL ACCOUNTS



**Georgia Armstrong**  
SENIOR ADMINISTRATOR



**Monica Sfeir**  
RECEPTION / ADMINISTRATION



**Naomi Dingle**  
RECEPTION / ADMINISTRATION



# LET'S CONNECT

## WE WOULD LOVE TO HEAR FROM YOU

Our team of experienced sales agents and property management are here to help.

Our Sales Team has a combined experience of over 100 years. Whether you are looking to sell your family home or investment property, or wish to enter the market to find your forever home; we have the expertise to guide you through the process and make it happen.

Our Property Management Team are very experienced and knowledgeable in all areas of the property management sector. Whether you are looking for advice on your current investment, or thinking of leasing your property out, our property management team would be happy to assist you through the process, and provide you with the best possible service.



**Mayfield** - 02 4960 0499

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