



**TOP TIP:
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and the pay-off is phenomenal

- Team up with friends or family to get started; pool your resources and make a move together
- Buy a solid investment property you can afford instead of a home to live in, and then rent somewhere for lifestyle
- Get educated. Make sure you do it right first time around - making mistakes in property can cost a lot of money and time, but success can create some amazing opportunities
- Be ready to act. Get your finances in order, as in a strong market, speed can be a necessity and you must be ready
- Stop thinking you need a 20 per cent deposit to get started - you don't. Lender's mortgage insurance is actually a great tool and frankly, it is much easier to save a five per cent or 10 per cent deposit than 20 per cent!
- Find out how the government is willing to help you: www.firsthome.gov.au
- Make sure your first property is a cracker. That way you can build equity and expand your portfolio quickly
- Be prepared to make sacrifices. Don't sacrifice everything, but making some strategic sacrifices now to fast-track yourself into the market will be one of the smartest decisions you will make

The key is not to wait forever. It might be tough, but make a plan, get educated, be prepared and take action. ■

CRACK THE MARKET

Despite statistics indicating property in Australia is becoming more affordable, first-time buyers struggle to unlock the market. So what can new investors do to get in before it's too late? BY TODD POLKE

It's a fascinating time to be involved with the Australian property market - property prices are being fuelled by record low interest rates, an expanding supply and demand gap, strong population growth and a solid economy. It is now officially the most affordable time to buy property in Australia since the early 2000s, and many investors and homeowners are cashing in on the market conditions. Unfortunately, first-time buyers are struggling to even get a start and are dropping out of the arena like flies. This buying group now only makes up 12.5 per cent of all property transactions

across Australia. In some areas, like Sydney, it is down to only 6.8 per cent, having dropped from 33 per cent in 2009, according to the Australia Bureau of Statistics. It's crazy! And this is despite it being statistically more affordable than ever to get into the market. The truth is first home buyers have been hit with the triple whammy: rising property prices have meant higher entry costs, which force buyers to generate bigger deposits just to get started; record low interest rates have slowed down the growth in savings; and increased affordability has given existing property owners

the opportunity to strengthen their foothold in property. First home owners now face stiffer competition from established property owners who have much deeper pockets, and the government stimulus measures such as the First Home Owner Grant don't seem to help. So, are future generations going to be conditioned to a lifetime of renting? Unfortunately, the signs are saying 'yes'. Perhaps there will be even fewer first home buyers in the future and instead, property will be passed down through generations? However, one thing this tells us is that you need to do everything you can to get into the market now. If you are

a parent, you should also be ensuring your kids can get into the market; otherwise they may be living at home with you for a long time. So how do you ensure you don't get locked out of the market? Here are 10 tips to help you on your way:

- Be creative with how you generate your first deposit - can you borrow equity from your family? Can they act as a guarantor? Can you arrange vendor finance? The ways could be endless, so make a habit of thinking outside the box
- Set goals and learn to manage your money. These are the foundations of all wealth creation



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