

Hot property

Obtaining an Australian mortgage before you migrate Down Under could give you a head start in finding that perfect property, writes **Mary O'Brien**

Most people, and even many Australian banks, might say that you have to be in Australia to personally obtain an Australian mortgage, but that is not necessarily the case with all banks.

If you contacted an Australian mortgage broker who is accredited with at least 25 banks and lenders before you emigrate then you could find out your options immediately on your borrowing capacity and the house price range you may look for when looking at the web for an Australian property.

There are some banks in Australia who can lend up to 80 per cent finance to non-residents (sometimes up to 90 per cent if you are Australian living overseas).

Before the preapproval application takes place you will normally require identity verification from a UK solicitor or the Australian Embassy.

SEEKING PRE-APPROVAL

Once you are sure that you are able to emigrate to Australia then you should obtain mortgage pre-approval through an accredited Australian mortgage broker. The mortgage broker will come back to you with a pre-approval conditional letter on an Australian bank letterhead providing you with a loan for a certain dollar amount and conditions.

This pre-approval with the mortgage broker will enable you to start looking at the location you may wish to live and work, as house prices, salary income, job availability, the cost of living,

climate and lifestyle varies in all of the Australian states. The next step on migrating is deciding where you would like to live or perhaps you may prefer to purchase the property as an 'investor' first before the emigration approval is received?

WHERE TO LIVE

In the case of Penny and Garry Owens (see p109), Garry was married to an Australian who had lived in UK for many years.

While he applied for residency, Penny decided to fly to the location that they liked in New South Wales and she found two nice houses, one hour north of Sydney on the Central Coast.

This is when the pre-approval began through the couple's

Banks can lend up to 80 per cent finance to non-residents

mortgage broker. By the time Garry's residency came through, they flew direct to Australia from the UK all ready to move into their new purchase.

The couple decided to sell their UK property once their pre-approval had been processed, but alternatively, you might wish to keep your UK property as an investment. If this is what you decide, it is worth discussing this particular option with your broker. Many British people purchase property as an investment first then move to Australia later.

If you decide to move into that property within 12 months of your sale and have Permanent Residency visas you may be able to qualify for the Australian Government's First Home Buyers Grant, which is worth A\$7,000 (£4,073) at certain purchase price ranges.

If you are not a permanent resident and hoping to obtain up to 80 per cent finance after having secured a job in Australia, the banks will normally expect you to have passed a three-month probation period in your new job in Australia. >>

USEFUL WEBSITES

For information on the real estate market in Australia check out these useful web links...

- www.realestate.com.au – General information on the real estate market in Australia
- www.residex.com.au – Market facts, postcode and property explorer
- www.reports.rpdata.com.au – Suburb profiles, suburb sales history and street sales

For history and property investment reports visit:

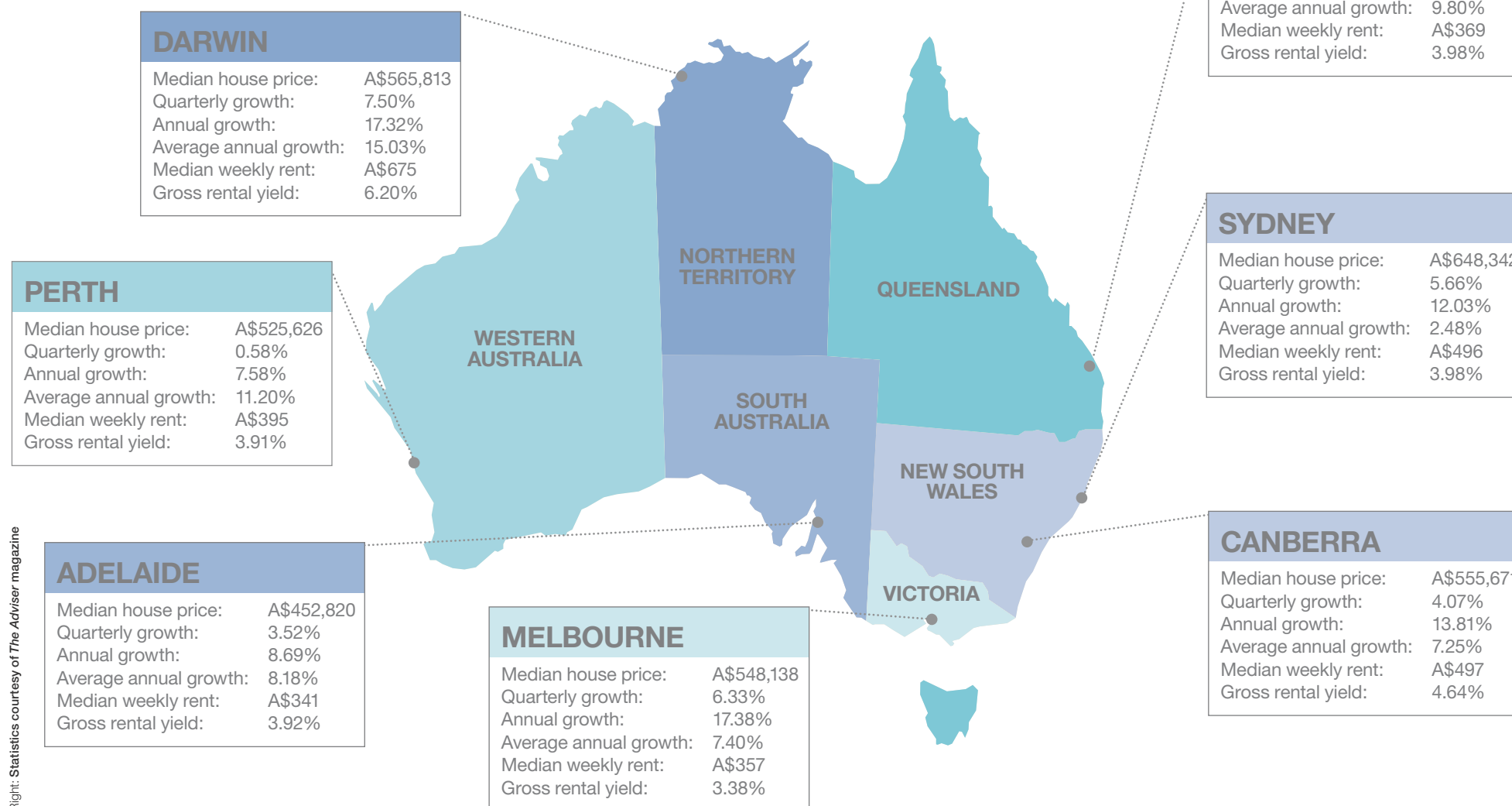
- www.firb.gov.au – Foreign Investment Review Board (FIRB)
- www.rba.gov.au – Reserve Bank of Australia Statistics, Annual Reports, Policies
- www.immi.gov.au – Australian Immigration Department for information on visa and citizen applications, Australian laws and customs

For First Home Owners Grant information regulations in each state visit:

- www.osr.nsw.gov – New South Wales
- www.osr.qld.gov.au – Queensland
- www.vic.gov.au – Victoria
- www.revenue.nt.gov.au – Northern Territory
- www.revenue.act.gov.au – Australian Capital Territory (ACT)
- www.revenuesa.sa.gov.au – South Australia
- www.dtf.wa.gov.au – Western Australia

Average Property Prices

Here is a city-by-city guide to average house prices in Australia, how they have grown and typical rental prices...



Right: Statistics courtesy of The Adviser magazine

The exception to this is if you are going as part of a company transfer or are going to Australia with a 'high demand' skill such as doctor, nurse or teacher, and can provide an employer's letter, so long as you have Foreign Investor Review Board (FIRB) approval.

PROPERTY SITUATION

The statistics shown on the map above will give you an idea about which city in Australia you can afford to move to. Recent statistics appear to show that Perth was the

favourite destination for Brits moving overseas, followed by Sydney and Melbourne, while

Statistics show that Perth is a favourite destination for Brits

New Zealand, after Australia, was the second most popular country to move to. On 31 May 2010, RP Data reported that home values

throughout Australia in all capital cities recorded no capital gains in April – this was the lowest recorded monthly capital gain since December 2008.

The statistics appeared to suggest that the 'slowdown' has started, due to six recent interest rates rises by the Reserve Bank.

Home values in Australia have recorded large gains since January 2009 when interest rates decreased, with weaker home loan approvals, lower auction clearances and lower consumer confidence as a

BRISBANE

Median house price:	A\$482,391
Quarterly growth:	2.15%
Annual growth:	6.05%
Average annual growth:	9.80%
Median weekly rent:	A\$369
Gross rental yield:	3.98%

SYDNEY

Median house price:	A\$648,342
Quarterly growth:	5.66%
Annual growth:	12.03%
Average annual growth:	2.48%
Median weekly rent:	A\$496
Gross rental yield:	3.98%

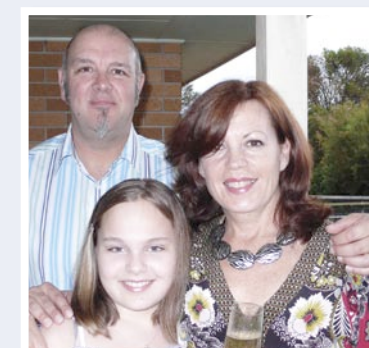
CANBERRA

Median house price:	A\$555,671
Quarterly growth:	4.07%
Annual growth:	13.81%
Average annual growth:	7.25%
Median weekly rent:	A\$497
Gross rental yield:	4.64%

consequence of the European recession. Economists believe that the Reserve Bank will keep interest rates on hold over the next few months as mortgage rates are 160 basis points higher than a year ago.

■ **Mary O'Brien is a finance specialist for Downunder**

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"We love our new home!"

Penny and Garry Owens describe their move to Australia's Central Coast...

Penny Owens is a bone marrow transplant operator and Garry Owens is a freelance photographer. They have a 12-year-old daughter called Scarlet and live on the Central Coast, one hour north of Sydney. Garry shares their story:

"We had been talking about moving to Australia for 25 years. Penny is Australian by birth, but it never felt like the right time. Last year I decided to stay a little longer to show my work around the advertising agencies in Sydney. I got a positive response so when I went back to UK I told Penny that I thought we should emigrate.

"We deliberated for a long time as Penny had lived for 25 years in the UK and would find it hard to leave a job she loved and her friends. We decided to put our house on the market though to test the waters and sold it in three days. Perhaps this was fate. It was now or never as our daughter Scarlett was starting high school.

"We weren't sure what to do about accommodation but we knew renting would be hard. We have two Jack Russell dogs and lots of rental properties in Australia say 'no dogs'. We started looking at what was available online to buy as we were hoping to be cash buyers. Suddenly, the exchange rate fell dramatically and it became clear that we would require a mortgage for the type of property we would like to buy.

"I decided to contact Mary, a mortgage broker at Downunder Mortgages as it all seemed impossible at the time with all that was going on at home and my visa application pending. In October, Penny started to get cold feet about it all so I said she should go over,



see the school and look for a place to live. She could only take a week off work so off she went.

"The school turned out to be really good and after driving around the Central Coast area of New South Wales she found two houses she liked and I got a tour of them on Skype. At this point I contacted Mary again and explained that we had found a house and would require a mortgage. I was very sceptical as we had no credit rating in Australia but Mary explained that we could apply in the UK based on our earnings there.

"The whirlwind began. Penny arrived home, went straight back to work and the following night we were working with Mary on the mortgage application. We put an offer on the house, subject to survey, which gave us two weeks to get the mortgage offer. Mary and the bank somehow managed to pull it off, and despite several frantic overseas phone calls to conveyancers it all went through.

"We love our new home and lifestyle and apart from missing our friends, we are happy. It will take some time to adjust but our daughter is happy at her school, and even happier when she can come home from school on hot days and jump in the pool."

Get Approved Before You Leave



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