



SPECTRUM
FINANCIAL

10 Ways to ease the mortgage pinch!!!

Don't think about selling up and living in a tent just yet! We've got some sound advice to help relieve the stress of owning a home.

It's Tough Times for Homeowners.

With no end in sight to rising interest rates, it's enough to make you want to sell up and rent again.

Here are a few ways you can ease the mortgage stress. These steps are simple and effective. They may not solve the economy but they sure will throw a few extra dollars your way.

1 - Added Value through Renovations.

The trick is to create a balance between making adjustments that will suit you now, but also appeal to potential buyers.

Here are a few pointers:

- Modernising the kitchen or bathroom and adding a deck or garage will also usually add value. But it's never a guarantee; it depends on what is done to the property and also the market at the time.
- Your location of your home can be a big factor. Renovations that don't suit the period of the property may decrease the value as it will appeal less to people.
- Check out the potential return you'll get on your investment by looking at "for sale" listings in your local area. Are four bedrooms selling better than three? Consider adding an extra room or converting one in a garage.
- Don't go too fancy with fittings and features such as top of the range appliances. Recent studies show that a clean and simple reno can have a larger value than a over the top fancy reno.

2 - Be Your Own Decorator.

The most effective and cheaper way to make your house make money is becoming your own decorator.

- Stick to neutral colours to appeal to more buyers.
- Make your investments more transportable – artworks, furniture, selection of rugs can easily be taken with you when you leave. This will save you more \$\$\$.

- Small budget? Maybe revamping is your answer not renovating. Revamping your kitchen or bathroom by smartening up the doors or handles on decent cabinets and refresh tile with grout.

3 - Make it a Holiday Home.

- If you're planning an extended holiday, why not let it out to holidaymakers? Seaside dwelling in summer and anything near the snow in winter are going to make more \$\$\$ than suburban locations. This doesn't mean they are never leased.

4 - Get your House a Job.

Some homeowners can earn up to \$10,000 a day by having their place used as a location for a TV ad, photo shoot or movie. While the larger house with plenty of room and space are usually employed, there's also a demand for more average properties. However it's intrusive and disruptive to home life so not an option to be taken lightly.

5 - Take in a Lodger.

- A handy little earner is getting a lodger for your spare room, such as people visiting from overseas, or uni students. If you're comfortable having an extra houseguest. – Acquaintance or not – it could be a good way to help with the mortgage payments. If you do rent a room out in your home, you may also be entitled to claim a proportion of expenses relating to the space used to earn income. It can usually be worked out on a variety of things such as, floor space that is being rented out, kitchen, garden or bathroom. Check with your accountant first as this income may be taxable.

6 - Get eco-friendly.

- We are not suggesting convert your home into a solar powered living. But a few eco-friendly additions can save a few \$\$\$.
- Think about the location and lifestyle. – for example, a rural property with a water tank would be an asset, whereas it might not be an investment you'll gain from if you live in a city based pad.
- To encourage Australians to be more eco-wise federal and state governments are offering rebates on various products such as solar powered hot-water heaters and tanks.

7 - Make use of Heritage Grants.

To our popular belief, there are advantages to owning a heritage-listed property. If your terrace, workers cottage – even some “historically significant” red brick 70's homes – has been listed you may be entitled to a heritage grant from local

or state governments that will help share the costs of maintenance or works such as painting or restoration of a veranda or fence. It may restrict you from doing some alterations to your home but can also save your home from an proposed developments that may happen in your area that could affect the historical context of your home.

8 - Set up a Home Office.

Working from home can save you forking out money for a lease for a separate office. You can also reap a fair few tax benefits in the process, such as occupancy (rent or mortgage interest, council rates, home insurance). But be warned, if you claim occupancy expenses, you may be up for capital gains tax if you sell your property – not so great if you plan on selling in the near future.

9 – Make Extra Cash by Converting to dual Occupancy.

- If you have the space, use it! Subdivide and sell off a portion of your property or get quotes for a detached granny flat or self contained unit, such as a converted garage.

A granny flat can add value to your home as it can be sold as a potential for dual income, and if you tired of renting it out yourself, it can easily become a great home, office, teenager retreat or space for older relatives.

10 – Move in with someone else and Rent out your Home.

- If you're really feeling the pinch and have the option to house-share for a while, it might be a good idea. Maybe your parents are travelling for a few months and needed to mind their house, or a friend is also looking to ease the burden and suggests renting together. You could try six months and always extend; or, if it's not working, move back home. It's good news when if your house is the only property you own and you have lived in it from the start: you can rent it out for up to six years, move back in, and if you choose to sell, then you wont have to pay that sometimes hefty capital gains tax. You'll be able to claim certain expenses for the period it's rented out, such as repairs as well as the interest on your mortgage. Check with your real estate and accountant first.