

## property confidential

## FLAT FOR TV FANS

IF YOU want to be neighbours with a former *Neighbours* star's neighbours, this may be the property for you. Actor **Maureen Andrew** is selling her St Kilda apartment. Andrew guest starred on the popular Channel 10 series and has appeared in *Blue Heelers*, *State Coroner* and *Halifax*. She has also toured with musicals including *Cabaret*, *Grease* and *Saturday Night Fever*. Her home at 9/254 Dandenong Rd goes to auction on May 7 at 12.30pm. Hocking Stuart agent **John Carter** is quoting \$440,000 to \$470,000 for the property, which has off-street parking.



## BEACH BEAUTY

A MANSION in Brighton's Golden Mile will be auctioned next month. The five-bedroom house at 2C Dudley St is owned by Watches of Switzerland Australia boss **Eric van der Griend** and his wife, **Danielle**, who bought it in the early '90s. It has four bathrooms, hand-laid American oak floors and **Rick Eckersley** landscaping. Buxton agent **Leigh Hallamore** expects the sale to fetch upwards of \$5.5 million.



## Family assistance



Welcome home: Heiko Schindler (with son Angus) and his wife Bec bought their home with the help of Bec's mother, Sally Drake (right) and her husband Tony Favero. Picture: MIKE KEATING

More families are working together to help their kids get into the property market for the first time, writes **Caroline James**

**S**ALLY Drake is like any mum — she wants to give her children the best start in life.

But facing a red-hot property market in 2007, the Essendon resident could see the prospect of home ownership fading for eldest child Bec, who had returned to Australia after six years abroad.

Drake and her husband Tony Favero opted to give Bec "a substantial" gift of money towards a home, which enabled her to buy a three-bedroom townhouse in Pascoe Vale for \$362,000, which today she shares with husband Heiko and son Angus.

"I still believe in the great Australian dream of home ownership," Drake, an administration assistant, says.

"But I just knew without our assistance it would be extremely difficult for Bec to buy."

"It is our intention to help our two younger children wherever possible because I believe in helping our children in the living years."

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# gives a jump start

Personal finance expert Peter Boehm, whose book *The Great Australian Dream: A Guide to Buying Your First Home* was published this month, understands families want to help younger generations get a foothold in property.

Home prices are now 10 times higher than in the early 1980s but wages are not, says the Yahoo!7 finance columnist and father of two.

Australian Bureau of Statistics data show the impact of this disparity on first-home buyers.

In 2009, 47,449 Victorian first-home buyer loans were recorded. Last year that figure dropped to 28,894.

So how can families help?

## Get children ready to buy

Boehm stresses giving offspring assistance is not all about giving money. He says one of best ways to help children buy — and keep — homes is to prepare them for the realities of home ownership.

Help them set realistic expectations, manage their own finances, research the market and learn about "the mechanics of the buying process", the chartered accountant says.

## Co-own property

Co-ownership of property can be a good way for parents and children, siblings or other

“Help them set a deposit target, the earlier the better

relatives to "pool resources" and share rental income and equity growth, Boehm says.

Some families set a date when ownership will pass to a child who buys out their parents.

Some parents buy out their child and use the property as a retirement income nest-egg; the adult child goes on to buy a preferred home.

Most first-home buyer loan applications are strengthened by parents' input.

"There are tax implications, so get advice on your financial position and be careful of forming emotional connections with the investment, which can strain relationships," Boehm warns.

"Have a clear understanding of the rights and responsibilities of all individuals beforehand."

## Offer a deposit

If personal circumstances allow, giving a child a money gift toward their home deposit and/or borrowing costs is an option. Lending deposit money to your child and agreeing upon a repayment plan is another option.

Boehm advises families to check with lenders first, however, to ensure they will be satisfied with the borrower's savings record.

## Go guarantor

If your child is having difficulty securing finance to buy a first home, agreeing to guarantee their loan may satisfy a lender's security needs. Be aware that if your child cannot make repayments, the bank will seek payment from you.

If you are not confident your child has the ability to meet all loan responsibilities, proceed with caution, Boehm stresses.

## Help your child save a deposit

Boehm proposes three ways to do this: match the child's savings by an agreed amount (eg: dollar for dollar); let an adult child live at home rent-free if they save the equivalent market rent for their room each week; or charge your child board, which you bank. When the child leaves home, give this money to them as a first-home owner's nest-egg.

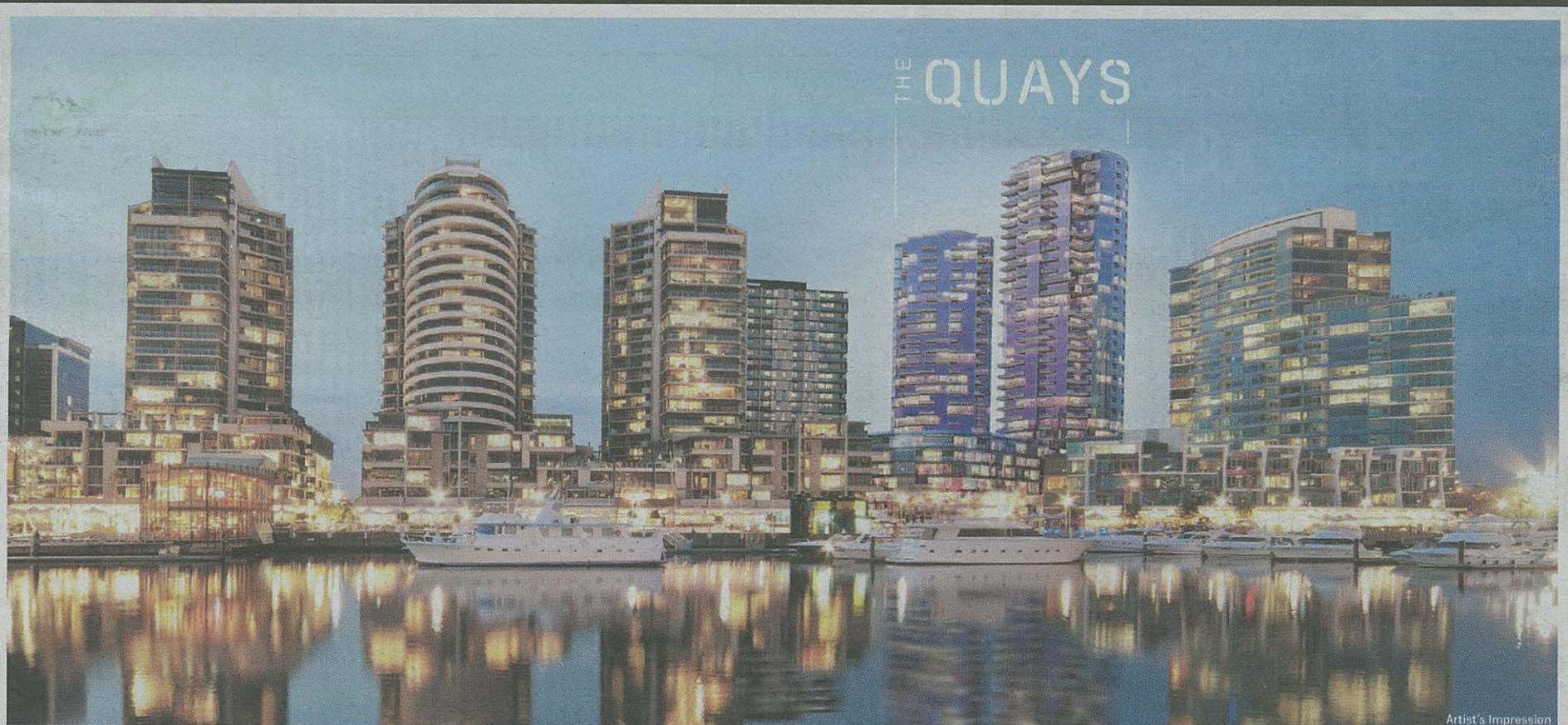
"You can also help them set a deposit target — the earlier the better," Boehm suggests.

"Your child may want \$60,000 in 10 years and you can show them how, by breaking it down to \$6000 yearly, it will become more attainable."



## How families can help first-home buyers

- Pool resources
- Save board money
- Match savings
- Give or lend a deposit
- Co-own a home
- Encourage savings
- Set a good example
- Go guarantor



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