

SMARTLIFE

SPRING
2020

ISSUE
2

Time for a staycation?

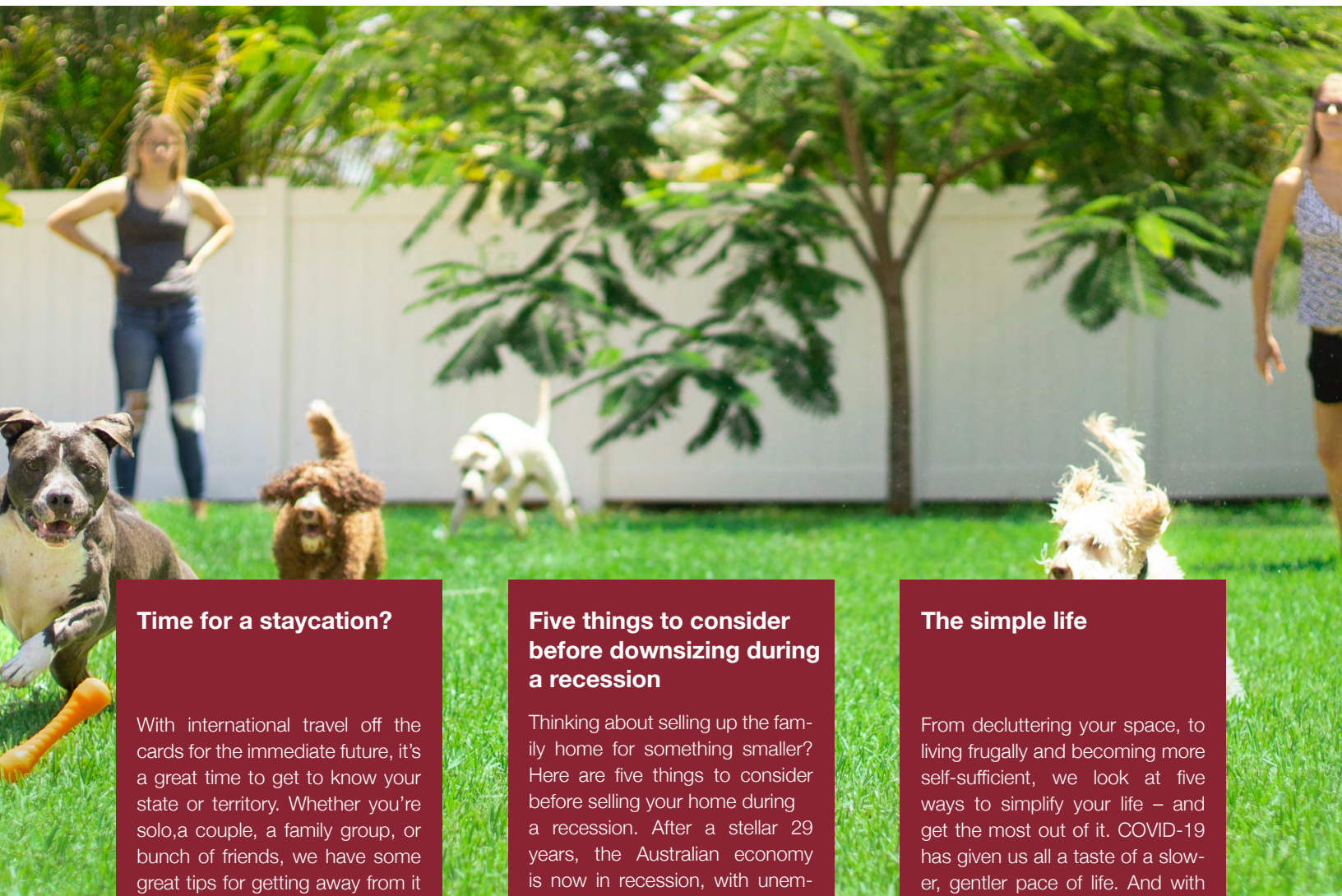
Five things to consider before downsizing
during a recession

The simple life

smart
BUSINESS SOLUTIONS
Financial Planning

Welcome to the Spring 2020 edition of SMART Life

2020 continues to throw unusual and expected challenges for everyone. After a temporary reprieve from the COVID-19 pandemic, a second, larger wave gripped Victoria throughout the winter months. In this edition, we look at some ways you can respond to the current situation and how it presents an opportunity to think and act a little differently than usual.



Time for a staycation?

With international travel off the cards for the immediate future, it's a great time to get to know your state or territory. Whether you're solo, a couple, a family group, or bunch of friends, we have some great tips for getting away from it all – even if you can't go that far.

Five things to consider before downsizing during a recession

Thinking about selling up the family home for something smaller? Here are five things to consider before selling your home during a recession. After a stellar 29 years, the Australian economy is now in recession, with unemployment at its highest level in 20 years. This isn't great news for the housing market – but it doesn't mean you can't go ahead and sell up if you were planning to do so this year.

The simple life

From decluttering your space, to living frugally and becoming more self-sufficient, we look at five ways to simplify your life – and get the most out of it. COVID-19 has given us all a taste of a slower, gentler pace of life. And with the country now in recession, it's a great time to embrace a simpler lifestyle. Living simply can help reduce stress. It can also put our focus on things that matter, like family and friends. A simple life can also mean you have time to pursue hobbies that make you happy.



Time for a staycation?

With international travel off the cards for the immediate future, it's a great time to get to know your state or territory. Whether you're solo, a couple, a family group, or bunch of friends, we have some great tips for getting away from it all – even if you can't go that far.

Always wanted to see more of your own state or territory? With the current ban on overseas travel from Australia in force, now may be the perfect time to see the best of your own region. Even if you're in a state that's under lockdown at the moment, planning a trip for when restrictions ease can give you something to look forward to.

The benefits of staycation

There are some real benefits to holidaying closer to home:

Lower cost. Travelling locally can be a smart move financially. You won't need to pay for flights, overseas travel insurance or international car hire. And with tourist operators keen to entice locals, you may be able find great deals on accommodation or activities.

Less time travelling. Choosing a location close to home can also be great for short weekend stays. And while flying seems faster than driving, if you add in the time spent going to and from the airport, checking in and collecting your luggage, the difference isn't always that large. What's more, enjoying the sights on the way can be part of the fun.

Pet-friendly. Many caravan parks, hotels and B&Bs now cater for pets. So staycations are great if you don't want to leave your four-legged friend at home. It can also save on the cost and hassle of finding accommodation for your pets while you're away.

Good for the community. Many regions and towns have had the double whammy of bushfires and COVID-19, and are grateful for the economic support that local tourists provide.

Top tips for planning your staycation

Here are some top tips to help you get the most out of your staycation – depending on your travel arrangements.

Going it alone. Anyone who's travelled alone will know that extra costs of accommodation can really add up. But with Airbnb and tour operators now missing out on international travellers, they may be offering some discounts and deals for solos. So be sure to shop around before you book your accommodation.

While many bus tours have been cancelled, if you want some company while travelling why not consider doing a walking tour?

Couples or groups. Yearning for a romantic weekend away? A scenic staycation in the countryside, hills, mountains or by the coast is an ideal destination to get away from it all. Consider a cottage or studio – or even try glamping and enjoy nature in comfort and style.

If you've been on your own in lockdown you may want to travel with friends. While it's fine to travel in a group, remember to keep numbers small, limiting the number of close interactions you have with other people.

Families. Being cooped up at home with kids during lock-down is challenging. So when it's time for a holiday, why not choose an active one? Depending on the age and capabilities of your kids, and your budget, some trips could include:

- camping
- a farm stay
- mountain bike riding
- swimming or snorkelling
- bushwalking

Staying COVID-safe while on staycation

Remember, COVID-19 means that things are unpredictable – so before you make any travel plans, stay up to date with the COVID-19 situation in your [state or territory](#), and follow instructions carefully.

- Before you dine out in a restaurant or café, check the latest rules in the COVID-19 [Restriction Checker](#).
- When you're out and about, keep 1.5 metres away from other people.
- Avoid large gatherings and crowded indoor spaces like shopping centres.
- Wash your hands frequently.
- Pack hand sanitiser and tissues, and keep it with you at all times.
- Check government recommendations about [wearing masks](#).
- Cough into your elbow, not into your hand.
- Don't travel if you're feeling unwell.

Need some advice?

Taking time out and enjoying your leisure time is an important part of life – and good for your physical and mental wellbeing. We can help you budget and save for holidays, so you can take time out of your busy life to rest and recharge.



Five things to consider before downsizing during a recession.

Thinking about selling up the family home for something smaller? Here are five things to consider before selling your home during a recession.



After a stellar 29 years, the Australian economy is now in recession¹, with unemployment at its highest level in 20 years². This isn't great news for the housing market – but it doesn't mean you can't go ahead and sell up if you were planning to do so this year.

But before you put the 'For Sale' sign on the lawn, here are five things to think about.

1 ABS, 5206.0 – Australian National Accounts: National Income, Expenditure and Product, Mar 2020.

2 Philip Lasker, 'Unemployment passes two-decade high as job applicants 'inundate' employers,' ABC online, 18 July 2020

It's impossible to accurately predict the ongoing impact of COVID-19 on the economy. So keep your eye on market reports – and talk to a real estate agent about your prospects.

1 What's the market like where you are?

Make sure you have a realistic picture of what price you could get for your home – and how long it may take to sell. According to property analytics and risk management firm CoreLogic, home prices dropped by 0.8% in the June quarter, with higher-value properties in Sydney and Melbourne the worst hit.³ Homebuyers are also taking their time to buy, although sales increased in June as the first lockdown restrictions eased.⁴

What's more, with fewer international students looking for rentals and no overseas travellers filling up Airbnb properties, there's a glut of rentals – especially in the bigger cities. So more people may decide to sell their investment properties, further impacting housing prices.

Of course, the housing market will vary depending where you're located. For example, in the June quarter, housing prices fell in the State capital cities but rose in Canberra and Darwin.⁵

It's impossible to accurately predict the ongoing impact of COVID-19 on the economy. So keep your eye on market reports – and talk to a real estate agent about your prospects.

2 Where to next?

Falling housing prices could mean you get less for your home – but your new place could be cheaper too. While it's normal to focus on price in a recession, consider your lifestyle too. Are you hoping to slow down and move to a quieter neighbourhood – or out of a city altogether? Would you prefer a city apartment that's close to shops, entertainment and restaurants? Or is your heart set on the community life of a retirement village? While downsizing may mean a smaller home, be sure you choose somewhere with enough storage space – and a spare room if you're expecting family or guests to stay occasionally.

If you enjoy gardening, choose somewhere that allows you to get your hands into the earth – even if it's a balcony with pots or window boxes.

It's also wise to think about how needs could evolve as you age. Think about the services you may need, like medical centres, libraries and public transport. And consider the layout of your home, and whether you should avoid things like stairs or split levels.

3 Is your home inspection-ready?

Most people cut back on discretionary spending during a recession – either because they're not cashed up now or worried about running low down the track. So doing home repairs now could make your property more attractive to potential buyers who aren't keen to spend on redecorating and repairs.

Give your home a fresh coat of paint, repair damage to roofing or floor coverings, and deal with any plumbing issues. Take care of those little repairs too – like leaky taps and toilets, stuck windows or missing handles on cupboards.

4 Thought about making a downsizer contribution?

Worried your super isn't all you hoped it would be? Under laws introduced in July 2018, if you're 65 or more, you can contribute up to \$300,000 from the sale of your home into your super – without the usual caps, or work test, age limits or \$1.6 million restrictions applying.

If you're in a couple, you can each contribute to your own super funds – potentially boosting your collective super by \$600,000.⁶

5 Have you got your budget sorted?

If you're retiring, you're likely to be on a tighter budget than when you were working. So make sure your super is appropriately invested for your age, goals and appetite for risk.

We can help you make the most of money and help you budget as you approach retirement – and help make your downsizing journey a successful and happy one.

As your wealth grows, you may be considering a legacy approach to your giving. We can help you consider your options in the context of your overall financial goals and can help you put cost-effective plans in place.

3 CoreLogic, Monthly Housing & Economic Chart Pack – Our Insights. Your Story July 2020.

4 CoreLogic, Monthly Housing & Economic Chart Pack – Our Insights. Your Story July 2020.

5 CoreLogic, Monthly Housing & Economic Chart Pack – Our Insights. Your Story July 2020.

6 ATO, Downsizing contributions in to superannuation, June 2020.

The simple life.

From decluttering your space, to living frugally and becoming more self-sufficient, we look at five ways to simplify your life – and get the most out of it.

COVID-19 has given us all a taste of a slower, gentler pace of life. And with the country now in recession, it's a great time to embrace a simpler lifestyle.

Living simply can help reduce stress. It can also put our focus on things that matter, like family and friends. A simple life can also mean you have time to pursue hobbies and activities that make you happy.

Here are five ways to take the complexity out of your daily life.



1. Declutter

Declutter your space. It may take a while initially – but once you're done, you'll save hours searching or finding a place for things you don't need or use.

To declutter effectively:

- Start slowly – one cupboard, shelf or drawer at a time.
- If you haven't used an item recently or are unlikely to in the future, put it in the 'throw-out' pile.
- Be ruthless: Get rid of the scented candle from a Secret Santa work party, old birthday cards or 'thin-spiration' jeans you've had for years.
- Find a place for everything.

Book a hard rubbish collection for your large unwanted items like furniture or electrical items. Take the rest to the op shop, sell them or give them away.

2. Mend. Borrow. Reuse. Recycle.

While decluttering is a great idea, it doesn't mean throwing away things needlessly. Living simply also means learning to live frugally and make do with what you have. If something is broken or damaged, consider mending it before throwing it out (if it's safe to do so). Alternatively, consider borrowing or sharing things you don't use much with neighbours or friends.

A lot of everyday objects that usually end up in the bin or recycle can be used again – saving you money and reducing waste. Use egg cartons to freeze small portions of things, or to start seedlings for your garden. Old t-shirts work well as dusters, while gift-wrapping or brown paper can line your cupboards and shelves. And if you like to cook, wash out jam jars and bottles to store home-made preserves and sauces.

If you must buy something, try to get the best quality item you can afford – it will likely last much longer than a cheaper version. This will save you money in the long run – and reduce the world's alarming amount of landfill too.

3. Spend your time wisely

Many of us are over-committed, leaving us with little quality time for ourselves. If that's you, work out which activities bring joy or value to your life – and stop or delegate those that don't.

If you've been hibernating in front of the TV all winter, cancel your streaming subscriptions, and get out for a walk or a bike ride in the evening. Other activities like yoga, meditating, painting, crafts or reading a novel can be a great way to wind down in the evening. Meanwhile, old-fashioned board games are a fun way to bring family members or flatmates together.

4. Simplify your money

Money worries are one of the biggest causes of stress – especially during uncertain times. So do what you can to simplify your finances.

If you have debt, make a plan to start reducing it. This could include consolidating your debt into one easy-to-pay loan, or trying to pay off debts with the highest interest first.

Go through your monthly expenses and see where you can reduce spending. This might mean cancelling subscriptions you don't use, or saving money on food delivery or impulse buys. Put aside any money you save into an account, or use it to pay off the credit cards. If you have trouble keeping track of your spending, consider downloading an app to do it for you.

By tracking where your money goes, you'll become mindful your habits – and how you can better use your money.

We can help you simplify your money – by making sure your finances are aligned with your goals and dreams. [Speak to us today](#) to find out more.

5. Get self sufficient

Whether it's growing your own veggies, building a bookshelf, knitting a jumper or making a meal from scratch, nothing's as satisfying as being self-sufficient. If it's all new to you, start small. Grow some herbs in pots, take up hems or restore an old piece of furniture before moving onto bigger projects. YouTube is also a great place to find helpful videos on gardening, cooking, sewing or renovating.

Being self-sufficient can also be financially rewarding. For example, by deleting the Uber Eats app and downloading some easy-to-follow recipes, you could build your culinary repertoire – and save in the process.

Coronavirus cases passed

21 million

in August 2020⁸

The unemployment rate reached

7.4%

in June 2020⁷

This document contains general advice. It does not take account of your objectives, financial situation or needs. You should consider talking to a financial adviser before making a financial decision. This document has been prepared by Count Financial Limited ABN 19 001 974 625, AFSL 227232, (Count). Count is 85% owned by CountPlus Limited ACN 126 990 832 (CountPlus) and 15% owned by Count Member Firm Pty Ltd ACN 633 983 490. CountPlus is listed on the Australian Stock Exchange. Count Member Firm Pty Ltd is owned by Count Member Firm DT Pty Ltd ACN 633 956 073 which holds the assets under a discretionary trust for certain beneficiaries including potentially some corporate authorised representatives of Count Financial Ltd. Count and Count Wealth Accountants® are trading names of Count. Count Financial Advisers are authorised representatives of Count. Information in this document is based on current regulatory requirements and laws, as at 13 May 2020, which may be subject to change. While care has been taken in the preparation of this document, no liability is accepted by Count, its related entities, agents and employees for any loss arising from reliance on this document. Count is registered with the Tax Practitioners Board as a Registered Tax (Financial) Adviser. However your authorised representative may not be a Registered Tax Agent, consequently tax considerations are general in nature and do not include an assessment of your overall tax position. You should seek tax advice from a Registered Tax Agent. Should you wish to opt out of receiving direct marketing material from your adviser, please notify your adviser by email, phone or in writing.

Australia recorded

6.7 million

overseas visitor arrivals for the year 2019-2020, down 27.9% on the previous year⁹

25,652,139

Estimated Australian population as at August 2020.¹¹

The seasonally adjusted Wage Price Index (WPI) rose

0.2%

in the June quarter of 2020.

Australian retail turnover rose

3.3%

in July 2020¹⁰

- 7 Australian Bureau of Statistics, Labor Force Australia, July 2020
- 8 <https://www.worldometers.info/coronavirus/>
- 9 Australian Bureau of Statistics, Overseas arrivals and departures, June 2020
- 10 ABS, Retail Trade, July 2020
- 11 ABS, Population Clock

Smart Business Solutions Financial Planning Pty Ltd
Corporate Authorised Representative of Count Financial Limited

ASIC ID 001275904
ABN 15631281822
Level 1, 328 Main Street Mornington VIC 3931
P (03) 5911 7000
www.smartfinancialplanning.com.au