

This newsletter has been designed to keep you updated on what is happening within the industry and our Real Estate Office

From the desk of the Asset Manager



HAPPY New Year

We trust that you had a happy and safe Christmas! We would like to take this opportunity to wish you a bright, fun, goal fulfilling and prosperous New Year.

Yesterday, Today and Tomorrow

Did you know “the best time to buy real estate was yesterday, the next best time is today and the least best time is tomorrow!”

Inspirational Note

“If your position is everywhere, your momentum is zero.”

Michael Korda

Why use a Mortgage Broker?

1 out of 3 Australians do.

Mortgage brokers provide consumers with:

- Choice
- Convenience
- Professionalism

The mortgage broker is an expert in their field and offers the consumer extensive choices while balancing their financial interests and goals.

Some brokers may offer to visit you at your home after hours, or on the weekend. This service may be convenient and suit your needs.

If you are just looking for a home loan, most mainstream brokers will not charge you any fees for their services. Even if you have had a troubled credit history or your financial situation is too unusual for mainstream lenders, you can probably find brokers who will assist you free of charge.

QUESTIONS TO ASK YOUR MORTGAGE BROKER

With the large and varied home loan options available it is important to ask your mortgage

broker some specific questions regarding, which lender you will be using, the type of home loan they have selected and how much you will be paying, so you don't get any nasty surprises when often it's all too late.

General questions to ask...

What industry experience and qualifications does your mortgage broker have?

How do mortgage brokers get paid?

Suitability of loan questions to ask...

What percentage of the property value can I borrow?

Do I have to pay lenders mortgage insurance?

What are the types of home loans that are available?

Which home loan will suit my immediate and future needs? Which home loans offer the best variable/fixed interest rate?

Continued Over P.T.O...

IMPORTANT: This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. The newsletter is issued as a helpful guide to clients and is for their private information. Every effort is made to ensure the contents are accurate at the time of publication. We take no responsibility for any subsequent action that may arise from the use of this newsletter. Published by THE PPM GROUP - www.ppmssystem.com

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Home loan questions...

What is the current interest rate on the home loan?

Is it better to have a fixed or variable portion?

If I want to can I have a fixed and variable component?

What are my weekly/fortnightly/monthly repayments?

Note: It is very important to find out from your mortgage broker how each lender calculates weekly or fortnightly repayments. Accelerated payments are calculated by dividing your monthly repayment by two for fortnightly and by four for weekly repayments. This method can save you a substantial amount of interest and can reduce your home loan term, but your repayments are higher than actual fortnightly or weekly repayments.

Are there various establishment, valuation or legal fees payable?

What about any ongoing monthly/annual fees?

If I want pre-approval, are there any upfront fees?

Does this lender have a good customer service model?

Does the lender provide Internet/phone banking?

Do I incur any fees for discharging my home loan?

Can I make additional lump sum payments or increase my current repayments?

Are there any additional fees for these services, and if so, what are they?

Are there future costs involved if I discharge the loan, decide to change the loan products, want to increase my repayments or make a lump sum repayment? ■



Neighbours and tree roots

Water restrictions and drought have changed the way we live from day-to-day. For some rental properties, this is causing a new challenge.

Like humans, trees are searching for alternate sources of water, which can unfortunately create costly outcomes.

Depending on the aggressiveness of the root system and tree type, damage to fences, pipes, and foundations can be dramatic.

Neighbours will certainly be upset if concrete starts moving, or a sewerage pipe is damaged. But what if the neighbour's tree roots are damaging YOUR investment?

A lot of the time it's impossible to know, which tree is causing the problem, and invariably these disputes can end up in a who pay's for what.

Prevention though, as always, can be the cure. Here are some hints to help avoid this problem happening to your property:

1. Obtain a full report from at least two qualified plumbers.
2. Remove suspect trees and roots.
3. Have your plumber install root barriers; keeping in mind these may not stop certain types of species.
4. If a dispute arises ask the plumber to dig, exposing the roots, enabling you to track back to the source. Make sure you take photos. ■

Work Your Salary

Ask your lender if you can pay your salary directly into your home loan. This reduces your loan balance and the amount of interest you pay.

Think about what a low rate of interest your salary is earning in your savings account and how it could be put to better use. ■

If paying your wages into your loan account is not possible, it may be an option to open an account that off-sets the interest from your mortgage with the same result.

This option, if it is available, allows you to reduce your interest payments while keeping access to your funds. It can also be a great way to save for your next investment property!

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**REAL ESTATE
WORKS**

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**SALES &
PROPERTY
MANAGEMENT**