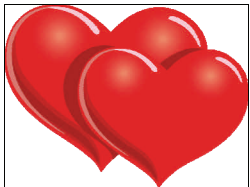




This newsletter has been designed to keep you updated on what is happening within the industry and our real estate office



VALENTINE'S DAY

A REMINDER FOR THE ROMANTIC AT HEART

Don't forget to mark it on your calendar 14th February

INSPIRATIONAL QUOTE:

"Happiness is not something you postpone for the future; it is something you design for the present."

(Fred Schwed Jr.)

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. Every effort is made to ensure the contents are accurate at the time of publication. Clients should seek their own independent professional advice before making any decision or taking action. We take no responsibility for any subsequent action that may arise from the use of this newsletter. Published by REAL ESTATE WORKS - www.realestateworks.com.au

PROPERTY MARKET

Record-low rates will continue to fuel rising real estate prices, according to the head of Mortgage Choice.

Speaking at the release of the mortgage broker group's December settlement results yesterday, CEO Michael Russell said the property market should continue to stay "relatively hot" as more people look to take advantage of the low-rate environment.

Mortgage Choice achieved a new financial milestone last month, settling \$1.09 billion in mortgages.

"There is no denying the property market has been relatively hot for the last two years and, according to recent data released by the Australian Bureau of Statistics (ABS), there is still a lot of heat in the market," Mr Russell said.

"The latest housing finance data from the ABS found more than 50,000 home loans were written in October, which is incredibly high by historical standards," he said.

"Our brokers continue to take advantage of the spike in home loan demand and are using this time as an opportunity to grow their business and their bottom lines."

Mr Russell's forecast is at odds with the latest NAB Quarterly Australian Residential Property Survey, where expectations for house price increases over the next year eased back considerably with fears of falls in Perth.

On credit, housing credit growth maintained recent growth rates, with owner-occupied still around 5.7 per cent year-on-year in November and investor a touch lower, but still around 10 per cent on an annualised basis, according to NAB Group chief economist Alan Oster.

NAB expects average city house prices to cool to around four per cent to the end of 2015 and two per cent over the year to the end of 2016.

"Our assessment of the market remains that house price growth will continue to moderate because of rising unemployment, sluggish household income growth, affordability concerns, cost-of-living pressures and high levels of household debt," Mr Oster said.

"We are also forecasting two further interest rate cuts of 25 basis points in March and 25 basis points in August 2015, bringing the official cash rate down to two per cent, which should support house prices a little more than previously expected."

NAB expects Brisbane (5.7 per cent) and Sydney (4.1 per cent) to lead the market for capital growth to end 2015, followed by Melbourne (2.7 per cent), Adelaide (2.1 per cent) and Perth (1.8 per cent).

Dwelling prices in Sydney and Melbourne started to flatten towards the end of 2014, according to RP Data-Rismark.

~ James Mitchell Real Estate Business 30 Jan 2015

NEW YEAR PROPERTY GOALS

We are well on our way into yet another New Year. 2015 – A year that is going to be bigger and better than all before. This is going to be a year that will hopefully be full of opportunities and new directions for many.

To be successful in property investing it is important to develop a strategy that will keep your goals on track.

While everyone has different plans, budgets and life situations, a strong strategy will help you move towards your property goal, whether it be to assist a family member save for their new home, buy an investment property, sell a property, do a renovation or something completely different.

Have you taken the time to 'write' down your property/investing goals? It is easy to get side tracked and forget to focus on a plan to make it happen.

Do you want to buy another investment property, and if so, how much money do you need?

Does your current investment need some home improvements, and if so what will this cost?

Do you have a budget in place for unexpected works on your investment, and do you put a little extra away each week or month for this?

It is great to think about goals, but the power in realising your goals is to have a 'how to plan'.

What are your goals in detail?

- ◆ Consolidate current debts?
- ◆ Pay off the credit card?
- ◆ Transfer money into an investment property saving account?
- ◆ Save for a deposit?

Make your goals specific :

List the dollar amount and include a target date

- ◆ Pay off \$100 pw extra on credit card to clear debt by 1 Dec 15
- ◆ Save \$10,000 towards a deposit by 1 Dec 15, etc.

How are you going to achieve this?

- ◆ Cut up my credit card so I stop using it
- ◆ Apply for a debit card so I only spend money I have in my account
- ◆ Take my lunch to work three times a week (put money saved towards my credit card debt)
- ◆ Reduce daily coffee buying, entertainment or clothing spending, etc.
- ◆ Secure a second job



REMINDER!

DO YOU HAVE LANDLORD PROTECTION INSURANCE?

Don't leave it until it is too late. Circumstances with tenants can change. Job loss, relationship changes... For such a minimal tax-deductible cost you can be protected from the unexpected rent loss or property damage.

TALK TO US

BUYING, SELLING & PROPERTY MANAGEMENT

Call us if you are thinking about buying or selling or you know of someone that is.

Do you own another investment property? We are here to help you with all your property needs.

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