

1. Save through refinancing



Whether you're looking to spruce up your property or simply take the sting out of those mortgage repayments, refinancing could be for you. Refinancing may be a relatively simple process that may involve changing your loan from one lender to another.

The mortgage market is very competitive. Lenders continually introduce new packages so it may be in your best interest to have us review your current loan on a regular basis.

Why refinance?

Here are three of the most common reasons individuals may consider refinancing:

Unlocking the equity in your home. If you would like to begin investing in property but don't have a large cash deposit, refinancing may provide you with the funds you need. Or if you would like to add value to your home, unlocking your equity may be one way to help finance renovations.

Debt Consolidation. If you have personal loans and credit card debt, you may be able to move all your current repayment commitments into your home loan. If there is sufficient equity in your home, refinancing to repay high interest debts may potentially save thousands of dollars.

A better interest rate. With uncertainty about a further interest rate rise, you may want to consider locking in a fixed interest rate rather than remain at the mercy of the Reserve Bank.

I want to refinance, now what? Finding which loans suit your situation may be a quick and easy process. Give us a call. Our loan comparison software may help you identify which loan will be best for you.

2. Intelligent investing: stick to the basics



Property investing may appear confusing or overwhelming but don't give up. Start by understanding the basics. In spite of its complexities, many novice investors seem to find property easier to select and manage than other types of investment.

But if you make the wrong decision you may find yourself experiencing problems. In an ever changing market, here are **Seven Golden Rules** that may provide you with some guidance when considering any investment.

Create a plan and stick to it. Ask yourself: what would you like to achieve by

This Issue:

1. **Save through refinancing**
2. **Intelligent investing: stick to the basics**
3. **Alternative investments: dynamic or high-risk?**
4. **Renovate and add value**

Andrew Lewis

CEO – OZWide Loans

P: 02 9428 4000

F: 02 9428 4037

M: 0416 114 317

E: alewis@ozwideloans.com.au

www.ozwideloans.com.au

Suite C, 161 Burns Bay Road
Lane Cove, NSW, 2066

Profile

At OZWide Loans, our aim is to help you find a loan suited to your needs from our panel of lenders and to ensure that your experience with us is of a high standard.

Our team of consultants are fully qualified and experienced Lending Managers. Their experience comes from working in the finance industry through the Major Banks, Building Societies and Credit Unions. Experience levels range from local lending and equipment finance management to regional and state management levels.

With our many years of experience in the industry, we are able to show

investing? Is it capital gain over a set time period or are you buying to generate a rental income? Your financial objectives may determine whether a unit or a house best suits your needs.

Set limits. Lenders often highlight the maximum amount that you can borrow, so determine your own limits before you seek out a loan. There's no sense taking on a mortgage you'll find impossible to repay.

Seven Golden Rules that may provide you with some guidance.

Secure the right finance. Though interest-only products often suit property investment situations, there is a range of options available. Take the time to contact us for assistance in finding a mortgage that works best for you.

Find good tenants. Select the wrong tenants and you may find yourself burdened with serious repair and maintenance costs; if they are tardy with their rent you may even struggle to meet mortgage repayments. If you lack the time or desire to seek out tenants, consider employing a property manager who can manage the property, deal with tenant problems and take care of collecting the rent.

Do a health check. If you want to avoid buying a 'lemon', independent building and pest inspection may be essential pre-purchase reports. Not only are they likely to alert you to any faults in the property, they may also help you negotiate with vendors on price should you decide to buy.

Know the neighbourhood. Property close to features such as transport, parks, schools and shops will often increase your chances of a good return on your investment. A sought-after neighbourhood will generally increase the likelihood that the property can be easily sold if mortgage repayments prove too difficult.

Consider a buyer's agent. If you lack the confidence or expertise to invest in a property, a buyer's agent may offer advantages from their skills and experience in determining a property's value. A buyer's agent works on your behalf to negotiate the best price and, in general, can warn against poor property investments.

3. Alternative investments: dynamic or high-risk?



Love your classic cars? Can't resist buying two cases of that soon-to-be-perfect vintage wine? Turn that passion into profit. Achieving good returns on your investments is not limited to real-estate alone.

Non-traditional investments such as collectibles are fun to get involved in and can often increase in value over time. Popular items such as sports memorabilia, vintage and antique cars, art, antique furniture, coins, wine and liquor are often in demand, making them great investment opportunities for the right investor.

But beware; investing in collectibles can be a risky venture. However if you choose to invest in collectibles there are a few simple guidelines you should consider following to help maximise your return.

- **Value is in the eye of the beholder.** The valuing of collectibles can be entirely subjective and profiting from such investments is often a matter of finding an emotionally involved buyer. The pricing of collectibles may be influenced by their rarity, condition, age, historical significance and, often most critically, current trends in the given market.
- **Become an expert.** In order to avoid making bad investment choices or being duped by a seller it's important to know your collectible well. An abundance of sources exist to assist anyone wishing to learn more about collectibles, including books, price guides, and the Internet. There are often enthusiast groups for collectibles which may offer both friendship and a fun learning environment for you to learn more about your collectibles.
- **Beware of auctions.** Unless you have acquired the necessary expertise, you

you how the various products work and recommend the ones that will suit your own personal circumstances.

Our service is completely free of charge to you, however other fees may apply. We are paid by the lenders and will disclose this amount to you so that you can be assured our recommendation is in your interests.

Book Review

Frank Lowy: Pushing The Limits

This book by Jill Margo is the inspiring story of the rise and rise of one of Australia's richest and most successful businessmen. Frank Lowy has dotted the suburbs of Australia with a \$13.2 billion shopping empire - Westfield.

His 30 regional centres are within a 30-minute drive of 70 per cent of Australia's 20 million population.

Lowy is a Holocaust survivor who started out by delivering sandwiches for a Sydney deli. He made his first real estate profit subdividing a vacant lot. By 1974 he had become Australia's dominant shopping operator.

Available at all Dymocks for \$32.95. Harper Collins Publishers (Australia) Pty Ltd

Did You Know?

The risk of underinsuring

This summer is likely to be one of the hottest and driest on record, making the threat of bushfires greater than ever.

The Insurance Council of Australia estimates that more than 40% of households fail to correctly assess the value of their home and contents. It seems many homeowners may be unknowingly taking huge risks this bushfire season.

By underinsuring, you risk not getting enough money to cover the cost of any loss. To avoid being caught underinsured, it is wise to have your house independently assessed and valued and adjust your insurance policy accordingly.

may be easily misled by auctioneers who may try to offload what can turn out to be worthless items for a 'bargain price'. That said, some top auction houses may provide helpful valuing and authenticating advice and services, so do your homework before setting out.

* Sources:
www.smh.com.au
www.ninemsn.com.au
www.bom.gov.au

- **Don't put all your eggs in one basket.** For a better chance of generating a return, spread your risk by investing in many smaller items rather than a single costly one. Like any investment portfolio, diversity is often important. Less expensive items may also have a greater demand on the market than ones that are outrageously valuable.

While investing in collectibles can involve risk, it can be an incredibly satisfying experience as long as you enjoy what you are buying. Furthermore, certain types of collectibles are often in demand, which may give an investor a better chance of netting a return. At worst, you will be stuck with a collection you love.

4. Renovate and add value



Excited about buying your new home? Don't forget the old place just yet – there's a few quick and easy ways that may maximise your sale price. Before you pack up and move, consider a few simple renovation tips.

These tips may help maximise buyer appeal for the home you're about to leave. Even a few small changes may allow you to increase the asking price on your current property.

Clean, clean, clean. Nothing turns buyers away quicker than a musty home. Bring new life to your abode by cleaning windows and light fittings; also clear away cobwebs. To make the job a bit easier, why not throw a spring cleaning party? Also think about getting your carpets professionally steam-cleaned – it's inexpensive but may make a world of difference.

Repainting. Perhaps the simplest renovation technique, a new coat of paint, may give you the best return for your money when trying to increase the price tag on your home. Avoid being too adventurous, however. You should be aiming to please a broad audience; colours should generally be neutral and elegant. If you spend approximately \$60 you should have enough to cover 32 square metres of wall with two coats of paint.

Revamp the garden. Your garden is the place to make a great first impression. A well manicured garden often adds instant street appeal to any property and may even make buyers feel like they've won a whole extra room. Native plant varieties are often popular as they are easy to care for and can cost as little as \$8 each.

Create a tranquil bedroom. The key to achieving a calm feel to your bedroom may be to simplify and declutter. Try removing all the knick-knacks and organise the contents of your wardrobe. As the centerpiece of the room, consider adding a new top sheet for your bed to subtly add style. Consider splurging on a luxury bed cover and the result may be that the whole room will feel like it's been professionally styled.

Your kitchen. Kitchens often make or break a sale, and a brand new one may attract buyers to your home. If you don't have the cash, or time, to completely redo the kitchen, consider small improvements such as changing cupboard handles and bench tops as these details often catch the eye of a potential buyer.

DISCLAIMER: This newsletter is intended to provide general news and information only. Readers should rely on their own enquiries before making any decisions touching their own interests. Please do not rely on any part of this newsletter as a substitute for specific legal or financial advice.

RBA Rate Bulletin

Official Interest Rate Bulletin

NOVEMBER 2006

Reserve Bank of Australia ("RBA") Increases Official Cash Rate by 0.25%

The RBA has announced, it is increasing the cash rate by 25 basis points, to 6.25 per cent - its third rise this year following an increase of 25 basis points in May and another by the same amount in August.

The decision was taken against a background of continued expansion in the global economy and evidence that inflationary pressures had increased.

The RBA stated that in reaching this decision it took into account the following considerations:

- The world economy has grown strongly in 2006 and is generally expected to grow at an above-average pace in 2007. Although growth in the United States has moderated recently, strong conditions are prevailing in other parts of the world. The global expansion has contributed to high levels of commodity prices, which continue to add to incomes and spending in Australia.
- The Board took careful note of the likely economic effects of the drought, which will lower the supply of rural produce, reduce farm incomes and may temporarily affect prices for some foodstuffs. At this point, these developments appear unlikely to affect significantly the medium-term outlook for inflation.
- Domestic demand has been expanding at a relatively strong pace against a background of limited spare capacity. Labour market conditions have remained tight and businesses are reporting high levels of capacity usage. While there have been some tentative signs of moderation in the demand for credit recently, the overall pace of credit growth has remained strong.
- This combination of forces has contributed to an increase in inflation. In the September quarter the underlying inflation rate was around 3 per cent, up from 2½ per cent at the end of last year, and it is likely to remain around that rate in the near term. The headline CPI increase has been noticeably larger than this recently, though this reflects some temporary influences which will be reversed in the quarters ahead. Producer price indices showed further strong increases at all stages of production in the September quarter. Aggregate wages, though not accelerating further, have continued to grow at a faster than average pace.
- The Board judged this to be an environment in which the risks of inflation exceeding 2-3 per cent over the medium term remained significant. Monetary policy has been responding to these risks for some time, with increases in interest rates in May and August. Some effect of those measures is becoming evident in demand for credit by households. Nonetheless, the Board's judgement yesterday was that a somewhat more restrictive stance of monetary policy was required in order to moderate inflation over time, and thereby to secure sustainable growth.

If you have any questions on this, or would like to review your home loan situation and options, please contact our office.

Andrew Lewis
CEO – OZWide Loans

P: 02 9428 4000
F: 02 9428 4037
M: 0416 114 317
E: alewis@ozwideloans.com.au

www.ozwideloans.com.au

Suite C, 161 Burns Bay Road
Lane Cove, NSW, 2066