

the mortgage bulletin

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BUYING: TO INHABIT OR INVEST?



While the thoughts of most home buyers are consumed by issues such as location, affordability and interest rates, they could be missing a more fundamental question: should their first purchase be as an owner-occupier or an investor?

Independent buyers' advocate Michael Roberts says the choice to invest can be difficult for young adults seeking to leave the family nest or get off the rental merry-go-round since they still have to find somewhere to live.

"Recently, we've seen an increase in the number of first-time buyers adopting a less traditional approach to funding their property ambitions," Roberts says. "For

BUYING AS AN OWNER-OCCUPIER

The pros

- Pay off your own mortgage instead of someone else's.
- Qualify for any first home-buyer or residential owner-occupier grants.
- Avoid the hassle of having to find a property manager and tenants.
- Have your own space to do with as you please.
- Enjoy a sense of pride that you own the roof over your head.

The cons

- All the costs associated with home ownership are yours alone.
- Forego the extra income that an investment property can provide.

example, more people are arranging a property purchase via a 'buy-to-rent' strategy in the hope that the rental income earned will ultimately help them build up a deposit for their own home."

Exploring the pros and cons of both approaches may reveal the best path to property ownership for you. In today's environment of high interest rates and high rental demand seeking sound advice before making a decision is always a wise investment.

BUYING AS AN INVESTOR

The pros

- Rent and live where you want rather than buy and live where you can afford.
- Receive rental income to help service your mortgage.
- Claim expenses such as mortgage interest charges and fees, letting agency fees, insurance and property repairs to reduce your tax bill.
- Leave yourself free to travel.
- Harness the power of time and control equity through capital growth.

The cons

- Your rental income will be added to your other taxable earnings.
- Face the risk of having to endure difficult tenants or tenant-free periods.
- Still have the expense of rent if you don't stay in the family home.

News from Brett Lucas

With continued speculation around interest rate rises it is undoubtedly a daunting experience if you have or wish to have a mortgage. Being a mortgagor myself I understand what it is like to look at the budget each month. Don't despair! Accessing great competitive deals is not a complicated affair. Let me do all the legwork by taking a look at your current situation to see how we can improve it. Call me today for a no obligations appointment.

Thinking of Buying

Are you wondering when might be the right time to get into the property market? In truth there is no 'right time', the property market is cyclical and there will always be opportunities missed and gained.

Have you ever asked yourself these questions:

- How much deposit do I need?
- What home loan is right for me?
- Should I fix or not?
- Am I eligible for any incentive schemes?
- What kind of documentation will I require?

The answer to all these questions and more can be quickly and easily answered by contacting me on the above details.