



THE MORTGAGE BULLETIN



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NEWS FROM BRETT LUCAS

People often ask me about best strategies for owning their own home, building an investment portfolio or choosing the right lender. When it comes to personal lending there is no one-size-fits-all formula. This is where I can help. I will look at your financial situation and find the best solution to make your money work harder.

So what are you waiting for?

Come and talk to me about making better choices for your future.

HOME LOAN LOW DOWN

How does your home loan compare? Here are the latest finance lending statistics by the Australian Bureau of Statistics:

- The number of new home loans for owner/occupiers increased for the sixth month in a row with a 2.1% rise in December 2010.
- Fixed rate loans are back in popularity accounting for 8.9% of loan types (Dec 2010) - the highest since June 2008.
- Investment loans were up 3% in December 2010.
- The portion of first home buyers rose to 15.8 per cent - the highest since March 2010.
- Refinancing has also made an emergence with a rise of 6.2% (Dec 2010) contributing to 28.3% of all home loans for the year.

PROPERTY OUTLOOK 2011



ARE YOU THINKING about taking the investment plunge? Or considering upgrading homes but not sure if the time is right?

In this edition we take a look at what to expect from the Australian property market in 2011.

It is easy to get perplexed by the varied media reports about market turnarounds, growth trends, property bubbles and forecasts. So let's take a look at the basic indicators that influence market conditions.

Currently, a combination of strong population growth, low unemployment, encouraging consumer and business confidence, and rising rental yields are all pointing towards positive signs for the national property sector.

National growth in 2010 (according to RP Data-Rismark Home Price Index) was at 4.7% with a median house price nationally of \$420,000. Moderate growth is also expected in 2011 with a swing towards a buyer orientated market.

Investors

One thing most market experts agree upon is that 2011 is tipped to be a good year for investors.

In particular, the spotlight is on regional and outlying areas of capital cities (within 10 kilometre radius) given current investment

via Government programs and infrastructure either proposed or underway. The enticement of a better lifestyle also a key driver of population growth to these emerging areas.

In addition, the tight national rental market and rising rents is presenting further incentive for investors to capitalise on better returns.

Those considering upgrading for personal use however are best advised to wait for better market conditions to maximise their position.

Conversely, first home buyers are making a welcomed return to the property sector, edging back to normal levels prior to the Government stimulus record numbers in 2009. Figures in November 2010 were the highest this sector has been since March last year.

Re-financing growth

The aim to increase competition and make it easier for people to switch banks appears to be making an impact with strong growth in the re-financing market. Refinanced home loans rose by 2,000 loans in November 2010 (compared to October 2010) a direct response from the abolition of bank exit fees.

So with the market leaning towards investment, talk with our team today how you can best maximise conditions in 2011.

CONSOLIDATING YOUR DEBT

DO YOU FEEL like you are constantly under pressure from mounting bills and loan repayments?

Home loan? Car loan? Credit cards? Personal loans?

If this sounds like you, then debt consolidation might be an option to help manage your money more effectively.

The reality is that most financially profitable Australians take risk with debt to build wealth. It is also a regular occurrence to view debt independently and according to type or lender rather than in a collective fashion.

In essence, to consolidate debt, you take a single loan to repay all existing debt.

It is an effective strategy to streamline your obligations, save money and to make the process of debt repayment quicker and easier.

Debt consolidation may not be for everyone.

It is wise to evaluate current debts and determine whether its benefits would apply. If you feel like debt is controlling your life, you may look to wrestle back control through consolidation.

It is essential however that you can secure a new loan with a lower interest rate compared to your current debt levels to maximise your returns.



In essence, to consolidate debt, you take a single loan to repay all existing debt.

Better management and less hassle – streamlines all your debt into one easy to manage account reducing any anxiety and hassle.

Avoid late fees – evade penalties from multiple creditors for late repayments. Dealing with one creditor should alleviate these costs.

Credit rating – debt consolidation can also assist borrowing power as late payments on a number of loans are also avoided. Regular repayments and good performance on the one loan can enhance your credit rating.

If you are considering debt consolidation it is recommended you talk to a professional as it may require collateral to secure finance.

To explore more about how debt consolidation may help manage your finances contact our team today.

Here is a list of advantages of consolidating your debt:

Lower or fixed interest rates – reduce the rate of interest on outstanding debts and negotiate a new lower or fixed interest rate.

Lower monthly repayments – consolidating debt often results in paying less per month in comparison to multiple debts and creditors, saving on interest by combining into one account.

One repayment – only one repayment and one lender to manage providing an easier and time saving method compared to paying a range of creditors.

Avoid collections – when you consolidate debt all lenders are paid and you owe money to a new lender. This avoids any pursuit of collection actions from previous creditors.

HOME OWNER OPTIONS



Ok, so you want to do something in 2011 to enhance your home lending portfolio but not sure where to start.

Here are four 'R's we have devised different options for you to think about:

RESEARCH – all market conditions are pointing to a buyers market making it ideal time for investors to broaden their portfolio. Do your homework and research your markets to see if this option is achievable in 2011.

REALISE YOUR DREAM – first home owners are edging back into the market to take advantage of a buyers market. Is it time for you to consider that dream home rather than paying for someone else's investment portfolio (i.e. rent)?

RENOVATE – so you are thinking of upgrading to a bigger and better home but might not get the returns at the moment you would like. What about renovating aspects of your home to improve the value when you wish to sell under better conditions? Seize the opportunity now so when the time comes to sell (and the market is ready) you are ready to act.

REFINANCING – make sure your home loan is performing at its best to deliver the most effective returns for your money. Is it time to give your home loan a health check?

From savvy investors to mum and dad homeowners- we have a solution for everyone. Talk with our team today to see how you can get ahead in 2011.