

# Making Decisions

Every day we make hundreds of decisions, some simple, others more difficult. Decisions which can have a lasting impact on your life, such as taking out a home loan or fixing your mortgage are far more intimidating and usually much more difficult to make.

*"We know what happens to people who stay in the middle of the road. They get run over."*

Aneurin Bevan

## Quick thinker or procrastinator?

The first step in improving your decision making ability involves recognising how you face the difficult decisions that confront you. Do you make decisions quickly, or do you tend to put decisions off? Both courses are equally dangerous – a rash decision can easily come back to haunt you, while avoiding a decision can force you along a path which might not be in your best interests.

## Do your homework

Before making an important decision there are three key points you should consider: the amount of time you have to decide, what you hope to achieve and what information will help you find the best solution.

If time permits, gather information, explore different options and seek advice from an outsider such as your mortgage broker.

Once you have the background information you need (which we can help you gather), you may find it useful to rate the pros and cons of each option on paper. Use the option which offers the best score as your first choice, but have a back-up ready in case things don't work out as planned.

## Your best is good enough

If you don't have much time, gather the basic information you need (again, we can assist you here to save the leg work) and make the best judgement you can. Be prepared to continue your search for information and monitor the impact of your decision so you can modify if this is needed or make a better choice the next time the situation arises.

Whatever you decide it's important to remember that you can never please everyone. The most important person to satisfy is yourself.



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With Christmas on the way, uncertainty about interest rate movement has left many of us thinking twice about our spending plans for the festive season.

In the article below we look at what Australia's leading economists have to say about where rates are heading over the coming months.

If you are thinking about selling your home, our page two article provides advice for achieving the best possible price.

Turn to page three for a reminder on organising a mortgage health check. It's a free of charge service offered by your mortgage broker to ensure your home loan is in tip top health.

Lastly we look at the topic of decision-making and how to improve your ability to make decisions, a skill that might come in handy when deciding on the perfect presents for your loved ones this Christmas!



WHERE ARE  
**RATES HEADING?**



TIPS FOR SELLING



HOME HEALTH  
CHECK



MAKING  
DECISIONS

## ▶ Where are rates heading?

Predictions are strong for continued interest rate rises next year, but the good news is that many economists believe the cash rate will remain well below 2008 levels.

The Australian's quarterly economic survey of 20 economists shows that most expect the Reserve Bank of Australia (RBA) to make at least three more hikes before June 2011, which would take interest rates to 5.25 per cent.

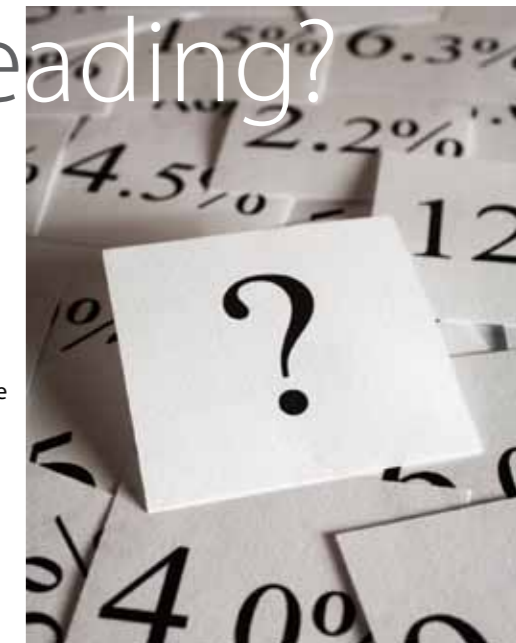
AMP economist Shane Oliver believes the concern that the cash rate will end up back to where it was in 2008 is unlikely provided inflation remains within the RBA target level.

The Australian's survey shows the median prediction for underlying inflation, was

2.7 per cent for the year to next December and 3 per cent by June next year. Inflation is expected to maintain an important role in the RBA's interest rate decisions, with the bank's mission to keep inflation in a target band of two to three per cent on average over the medium term.

BIS Shrapnel economist Jason Anderson believes interest rates will remain reasonable by historical standards, and will not substantially dampen demand for housing.

"Over the next six months investor demand is expected to rise further, which will support market turnover. With prices currently flattening, we expect demand from first home buyers will gradually recover in 2011," Mr Anderson said.



Quote for the month...

**"The secret of happiness is not doing what one likes, but in liking what one does"** James A Barrie



# Tips for Selling

**Your home is going on the market and you want to ensure it sells for the best possible price. How do you go about it?**

The obvious answer is to make sure it looks good, but this is not the only selling strategy that counts. Take a look at our top six tips for attracting a sale.

**First impressions last**

Buyers often judge properties within 10 seconds of looking at the photographs, so ensure the marketing photographs of your home do it justice. You're better off having a few good quality photos that will attract buyers to an inspection, rather than masses of pixellated images of every room in the house.

**Watch your advertising dollar**

You don't need to spend a fortune marketing your property through pricey brochures or colourful advertisements, but you do

need to ensure your property is exposed in mediums where your real estate agent knows the buyers are. If your agent services the area your property is located in, they should have a good knowledge of where their buyers come from.

**Look for negotiation skills**

When choosing an agent, look for a good negotiator. The negotiation skill of the agent has to be better than that of the buyer if you want to secure a good price for your property. Take the time to interview agents and be ready with a list of questions to ask that will help identify the skilled negotiators from the unskilled.

**Be realistic with price**

If your price is not reflective of the current market, you run the risk of not selling the property and wasting the money you have spent on the marketing/advertising campaign. Research or ask your agent to talk you through the comparative market sales

in your area and set a price that is realistic and takes into account supply and demand. By not pricing yourself out of the market you are more likely to generate interest and an offer that you can work with until you are happy.

**Clean & de-clutter**

Make your property look comfortable and tidy without having too many personal things on display. Choose what you can put in storage or give-away that will help you de-clutter the feel of your home.

**Repair within reason**

There's no doubt that a well-presented property works in your favour, so be sure to do what you can to spruce it up without over-spending. Minor repairs and maintenance like fixing cracked glass and broken lights, cleaning windows and steaming carpets will add value to the property, but be wary of large investments in last-minute renovations that you may never recoup your money on.



## Did you know?

- Breakfast eaters have more energy, increased productivity, greater concentration and less muscle fatigue than non-breakfast eaters.
- Don't wait until you are thirsty to drink because thirst only occurs once the dehydration process has started.
- After finishing crash diets, most people gain all the weight they lost. The key to effective weight loss is healthy, balanced eating for life.
- Eating fish two or more times a week can help lower excess cholesterol and reduce the risk of heart disease.
- Tobacco smoke contains over 4,000 chemicals and poisons, including 43 known cancer causing substances

... now you know some fascinating facts about your health, what facts can you find out about the health of your home loan?

## Home Health Check

Your car gets serviced at the mechanics, your teeth checked at the dentist, but when is the last time you booked your home loan in for a health check with your mortgage broker?

A regular home loan health check ensures you're still getting the best deal and the maximum benefit out of your biggest investment. As your personal circumstances change over time, it's important to make sure your home loan meets your needs and evolves with your lifestyle.

Here's what a health check might uncover about your loan. How to:

- save on interest and pay off your loan sooner by changing the frequency of your repayments
- achieve a lower interest rate
- negotiate better terms with your current lender
- reduce your loan balance and build your equity by using an offset account or paying income directly into your home loan.
- unlock the equity in your home to use for investment or renovation
- reduce debt by consolidating it into your home loan
- access product innovations that were not available when you first took out your loan
- transfer your loan to another lender.

**How does it work?**

Mortgage health checks are free of charge and involve minimal time on your behalf. Simply contact your broker and we will undertake a comprehensive analysis of your current loan by comparing it across a range of mortgage products available from banks and lenders. We'll then share with you any potential ways we have uncovered for you to save money and time, and assist you with putting these into action.

A health check doesn't mean you will have to refinance your loan; it can be as simple as restructuring with the same lender. Banks and lenders are constantly enhancing and fine-tuning their product range, which means there is often a cheaper or more efficient product provided by the same lender.

In situations where refinancing is the better option, we can help minimise the effort, time and expense that is often involved in moving from one lender to another. As part of this process we will help you weigh up any fees and other costs associated with switching your loan, with the expected savings and benefits of the new loan product.



## Vegie Patch: How to grow your own food

by Alan Buckingham

How to grow fruit and veg all year round in your very own vegie patch. For tasty, delicious fruit and veg that hasn't travelled halfway around the world, you can't beat home grown produce from your own vegie patch. Here's how to ensure your plot provides fresh, healthy food all year round. Easy-to-follow advice on what to do in your vegie patch and how to do it. Pick up time saving tips and techniques on everything from pruning to dealing with pests. There's clear guidance on when to sow, plant, and harvest for excellent results. Get more from your vegie patch with this indispensable companion.



Book Review