

# The Year Ahead

George Eliot's inspirational quote 'It's never too late to be what you might have become' is a great way to start off your new year in the right frame of mind.

Regardless of what type of year 2009 has been, the dawn of 2010 represents a perfect opportunity for each of us to make a fresh start, repair on our mistakes and build on our success.

To set New Year's resolutions which will last, ensure you are realistic about what you want to accomplish. If your goals are too demanding, vague or irrelevant, chances are you will find it too easy to become side-tracked or give-up.

Set a definite time frame for each goal and place this information in a prominent place, enabling you to keep track of your progress throughout the year. Ask your partner and/or family to encourage you all the way and have a friend hold you accountable.

Expect that your plans may change according to the challenges that life throws at you, but don't let this derail your efforts. Resolutions are accomplished with a hundred tiny actions that happen throughout the year, so each day approach your goal with a fresh certainty that you will make it happen.

Remember it's never too late to make a change for the better. Today is the starting point for the rest of your life.

## Top 10 Resolutions

To start your new year in the right direction, why not begin with these worthy resolutions. Next to each one write down your specific, measurable resolution, as well as the steps and time frame to achieve it.

1. Spend time with your family
2. Look after your health
3. Fit in fitness
4. Get out of debt
5. Build a nest egg – we can help you take advantage of investment opportunities, give us a call!
6. Learn something new
7. Help others
8. Help the environment
9. Get organised – we can help you organise your home loan, give us a call!
10. Slow down

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A new year brings with it new challenges, but also an opportunity to set new goals. With rental yields, interest rates and the economy on the up, it's hard not to feel that this year is all about positive change.

In this newsletter we have a look at what the statistics show for rising rental yields (below), plus how bank customers can save by moving to a cheaper mortgage provider (page 2). On page 3 we outline what the

economists are predicting for interest rates over the coming year.

Our page 4 article continues the theme of change, with some practical advice on New Year's resolutions – how to make them and how to keep them! As your mortgage broker we would be delighted to help you with any financial goals you may wish to achieve this coming year.

Enjoy this newsletter and feel free to pass it on to family and friends.



**RENTS ON THE UP & UP**



**SAVE DOLLARS**



**ECONOMY ON THE MEND**



**THE YEAR AHEAD**

## Rents on the Up & Up

**Property investors can hit the ground running in 2010 with the news that rents are predicted to keep rising around the nation.**

Economic forecaster, BIS Shrapnel, is anticipating rental growth to increase by an average of 5.8 per cent a year over the next three years. This increase would result in landlords pocketing an extra \$1.9 billion in rents between 2010 and 2012.

Climbing interest rates and a winding back of the first home buyers grant boost are believed to have contributed to more people staying in the rental market. Other factors include record low levels of property construction and a strong demand for housing amid a growing

population, according to the BIS Shrapnel Residential Property Prospects report.

Investors looking for an immediate return on their investment are expected to flock to Sydney, where the highest annual average rent increases are anticipated at 7.1 per cent. Rental growth is also expected to be strong in Melbourne (5.6 per cent) and Brisbane (5.0 per cent), while Adelaide (3.4 per cent) and Perth (3.2 per cent) will experience more moderate growth.

So which suburbs have the highest rental yields? A list of the top five areas with best rental growth compiled by rpdata.com was dominated by areas in capital cities, with a mix from high priced and low priced suburbs.



Quote for the month...

**"If you don't plan to succeed, by default you fail to plan, then you plan to fail"**

Author Unknown





# Save Dollars

**Think what you could do with an extra \$3,000 in your pocket – a holiday, new TV, gym membership? That's how much you could save by letting us shop around for your home loan.**

A \$3,000 saving each year in interest repayments and fees equates to a saving of \$48,000 over the life of a loan, taking the example of an average loan of \$250,000 with a 30 year term. Even a small difference in rates and fees can add up to thousands long term.

As your broker we have a panel of lenders from which we recommend a loan, enabling us to have knowledge of literally hundreds of loans at any one time. We have to become accredited with the lender to offer their product, and are required to keep up-to-date with their latest offers. This means we are able to advise

you of the wide range available and in doing so, secure the cheapest and most appropriate home loan that best suits your needs.

Like doctors and dentists, we are experts in our field and we have long prided ourselves on our ability to secure low cost loans for our customers. After all, it's our job to negotiate with both bank and non-traditional mortgage fund providers, on your behalf, to get the lowest cost home loan deal.

By wading through the fine details of each home loan product we can help you avoid the pitfalls of signing up to a loan you might later regret. Some products may seem on the surface to offer a great deal, but have penalties, fees and charges you may not be aware of. Not only do we bring these fees and charges to your attention, we also ensure the loans we recommend

meet your financial needs and lifestyle requirements now and in the future.

**...but not service**

We all want to save dollars on our home loan, but not at the expense of service. The great news is that with a mortgage broker you can have both – bottom line savings and quality customer service.

As your mortgage broker we offer the kind of exceptional service that large institutions can't replicate. In fact service and reliability are the very attributes that make us tick and are an essential part of the way we do business. Every step of the way, whether buying or refinancing, our primary focus is on providing you with a high level of personalised attention, trustworthy advice and tailor-made solutions.



## Did you know?

Australia's housing market is ranked second in the world for its speedy recovery from the global crisis. As many global housing markets continue to remain distressed, Australia is behind only Israel as the best performer out of 27 countries.

Australia's house prices were up 4.9% at the end of last year since the third quarter 2008. Darwin had the highest price increase among our capital cities, followed by Melbourne and Canberra, with the upsurge partly fuelled by a housing supply shortage.

Israel experienced house prices rising 10.2 per cent over the same period, while the majority of countries suffered falls.

*Source: Global Property Guide, House price changes year to end Q3 2009*



# Economy on the Mend

**If we could place bets on interest rate movements, the odds would be firmly stacked in favour of more rate rises over the coming year.**

Of course we can't take bets, but we can tell you what the experts are predicting. A recent survey of 17 economists by Australian Associated Press found that all believed interest rates would now keep moving upward, spelling the end of near 50-year lows. The survey's median forecast for where Reserve Bank interest rates will be sitting mid 2010 was 4.25 per cent.

These predictions are backed up by an Access Economics business outlook report, which says that interest rates will be raised in 2010 and 2011, returning to around 5 per cent in two years.

Access Economics Director Chris Richardson explains this isn't all bad news: as the better things get with the economy, the more interest rates need to rise.

"They dropped to emergency lows when things were at their worst. They keep rising from here. Normally they are about two percentage points higher than they are today. Chances are, we will get back there by the first half of 2011," he says.

The recent positive flow of economic data, including lower than expected unemployment figures, indicates economic recovery is underway. Australia has weathered the storm much better than expected – and we can be proud of our status as the first of the developed nations to move interest rates upwards following the global financial crisis, reflecting our strengthening economy.

**How quickly will rates rise?**

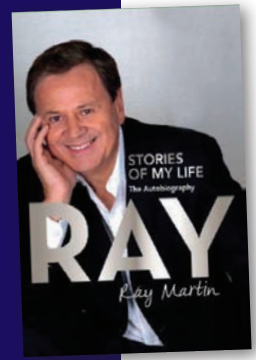
While there is disagreement among the economists as to the pace and size of interest rate movements, most expect the cash rate to remain low enough to support the economy until the end of the year.

"That means fairly steady rate rises from now. Not too much all at once and the Reserve Bank knows that we sail through this crisis on the back of stimulus. It won't raise rates too fast but it will raise them steadily from here," says Richardson.

With slow and steady the catch-cry for interest rate rises over the next two years, now is the time to consolidate and build on your financial position. As your mortgage broker we can assist with your financial lending needs in the changing economic climate.



Book Review



## Ray: Stories of My Life

By Ray Martin Retail Price: \$49.95

Funny, thought-provoking and inspiring, the most compelling autobiography you will read this year. Ray Martin needs no introduction. Well-known as the face of The Midday Show, A Current Affair, 60 Minutes, Carols by Candlelight . . . If you trust anyone on Australian television, you trust Ray Martin.

But Ray's was a less than stellar introduction to the glamorous world of television. Before he had even got to high school, he had lived in thirteen different places, in three Australian states, mostly in the bush. His father was a violent, drinking man who would lash out at his wife and children. His mother would uproot the family across to the other side of Australia to escape him. Ray's world was as far away from Hollywood and movie stars and the bright lights as is possible to imagine. Here, now, in his own words, is the long-awaited, warts-and-all autobiography of Ray Martin. His exceptional career, his happy marriage to Dianne, and his lasting love-affair with the people of Australia.