



Accrete Financial Solutions

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The Insider

Mortgage News and Tips for you

Edition 1, February 2008

Welcome



Welcome to the first edition of "The Insider" for 2008.

The year will be an interesting one for the property market as the last two quarters have seen the median price of Perth property claw back the falls in the June quarter.

A rise of 1.3% in the September quarter and 1.1% in the December quarter could well be the indication that the property market is heading back to an even keel, moving along at annual growth of about 5-8%.

According to the statistics there's about 13,000 homes on the market at any one time which certainly gives buyers a far better opportunity than they had in the past.

In this issue we're suggesting that the current market represents a good time to be upgrading your home while for those aspiring to obtain their first home, maybe equity ownership could be the way to go.

One thing we're seeing a lot of at the moment is people either refinancing their loans or having their home loans assessed.

We provide the service of reassessing circumstances and investigating whether there are better loan packages to suit at no cost, so if it's something that may interest you, do feel welcome to call us for a chat.

It's part of the service of being a client with Accrete.

May we wish you the best for 2008. No doubt it's going to be yet another great year for Western Australia.

Lisa and Lorrelle



Quieter real estate market - a great time to buy a home

If you're not up to date with the happenings in the property market, you may not be aware that the West Australian property market has slowed considerably so that it now offers great opportunities for buyers.

It's interesting to note that despite interest rates having risen there's been very little dampening of Australians' enthusiasm for owning their own home.

According to the Australian Bureau of Statistics some 65,831 of us took home loans in November 07 - despite the last interest rate increase.

Housing finance approvals for owner-occupied homes rose by a seasonally adjusted 4% to surprise many economists who had predicted a considerably slower performance.

But why wouldn't people still be buying? The fundamentals of the Australian economy remain strong with employment assured. Things have rarely looked better.

In Western Australia in particular, it's a great time to buy a home.

With the housing market having slowed from its frenetic pace and in some areas fallen back a fraction there's many more homes on the market to give buyers the luxury of being able to take their time and make an offer rather than face runaway prices.

Homes are currently taking an average of 65 days to sell so in short, for the moment it's a buyer's market.

For those people who've acquired equity in their property, the opportunity to move upwards to a better home or buy an investment property is extremely attractive.

And what of the future for property?

If the cycle of booms continue then things are set to become interesting again. The trend throughout the last century was almost always the following pattern.

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Shared equity ownership a lifeline for aspiring home owners

If you or someone you know is currently finding the prospect of owning a home receding into the distance, take heart, because a new scheme on offer from the Department of Housing and Works might be the solution.

The First Start Shared Equity Home Ownership scheme enables home buyers to share the ownership of a home with the Housing Authority. This reduces the up-front cost of buying a home while also reducing repayments.

The purchaser takes at least a 60% share in the property, with the Housing Authority taking up to a 40% share.

This brings an average home within reach of a family on an average income.

As their income increases, the purchaser can buy part or all of the Housing Authority's equity in the property in a number of ways.

Because capital appreciation (or any depreciation) on the property is shared between the purchaser and the Housing Authority the equity is calculated on the property's current market value.

The home can be put on the market at any time and the Housing Authority has the first option to purchase it. If this option isn't taken up it can be sold on the open market.

Shared Equity Home Ownership puts the dream of home ownership within reach of many people who've struggled to attain it.

We'd be happy to tell you more about this attractive option, so make an appointment to see us today. We think it's an idea with a lot going for it.



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Quieter real estate market - a great time to buy a home

The stock market becomes unsettled - Investors buy strongly in gold and bonds - investors turn to the property market - the property market overheats - the stock market booms.

But further to that the long term outlook for further capital growth, does appear positive.

W.A.'s economy looks set to boom for some time with the resources industry driving \$140 billion worth of projects that are either underway or in the pipeline.

With unemployment at a record low, people are moving here to join in the good times and that's bound to keep demand for housing strong and prices buoyant.

If you're going to take advantage of this market and prepare yourself for the next surge of capital growth then it's crucial to get the finances right.

We'd be delighted to help so why not make an appointment to see us. It could be the best move you'll ever make.

STAFF NEWS



Sharon Cocklin

Sharon Cocklin has applied for her B class Finance Broker's licence, enabling her to act as a broker in her own right.

This is an indication of Sharon's commitment to the industry and the fact that she has now

accumulated 2 years hands on experience.

Sharon has also gained accreditation with SEQUAL (Senior Australians Equity Release Association of Lenders), giving her the qualifications to deal with reverse mortgages (equity release loans).



Kylie Symonds

Congratulations to Kylie Symonds on her engagement to Aaron! The happy couple will be married later this year.



Is it time you consolidated your high interest loans?

Is it time to take a careful look at the state of your loans?

If you have multiple credit cards costing you heaps and a myriad of personal loans on top of the mortgage then perhaps you should think about consolidating your debts into one easy-to-pay loan.

The chances are that refinancing your loans could save you quite a bit especially if you haven't reviewed your mortgage in a while.

Today's market for home loans is extremely competitive with today's lenders combining extra features with competitive rates to attract new customers.

There are many good reasons for refinancing.

Some people want to roll their current debts, such as credit cards or personal loans, into one lower monthly repayment while others choose to renovate their homes.

And some raise cash for an investment or indulge in a round-the-world holiday.

How do you refinance?

To refinance your loans you simply take out a new loan and use some or all of the new loan funds to pay out your existing loan or loans.

If you change to a new lender they'll take care of the process of paying out your existing loan.



It's important to remember that there are costs involved such as application fees, discharge fees and mortgage insurance.

However, a lower interest rate or the opportunity to do other things can outweigh the additional upfront fees.

Get ahead with a split loan

One refinancing option that's well worth considering is a split loan.

Here one part of the loan has a fixed interest rate while the other is variable.

This not only insures you against rate rises, it gives you a real opportunity to pay your mortgage off faster. With a loan of \$400,000 for example, you could fix two-

thirds (about \$266,000), leaving the remaining \$133,000 variable.

You can then reduce the \$133,000 with extra payments without incurring a penalty, while the payments on the remaining \$266,000 stay fixed.

If you can make the fixed portion of your loan "interest only" then you're only making interest payments on the \$266,000, freeing up more money for you to pay on the \$133,000.

If you'd like to learn more about refinancing and how consolidating your debts can help you get ahead, perhaps by taking out a split loan make an appointment to see us today. We're here to help you.

Lucky winners receive Christmas goodies



Kim Allen



Andy Tungate and
Donna Catlin



Sue and Jerry Carter

Some of our customers enjoyed a very welcome Christmas boost when they carried off prizes totalling \$1,000 worth of vouchers.

These included a \$300 fuel voucher, a \$300 supermarket

voucher, a \$200 Coles/Myer gift voucher and a \$200 Liquor Land voucher. And all for simply referring their friends, neighbours or family members to us!

The winners were Kim Allen, Sue and Jerry Carter, Jill Hughes, Graham Buckley and Andy Tungate / Donna Catlin.

Clever ways to budget for those interest rate increases

Sometimes it's simply unavoidable. You have to cut back on expenses if you're going to make progress.

If the family budget needs some tightening, the following tips may help.

When the going gets tough the tough go shopping. Choice Magazine recently came up with some clever suggestions to make the dollars stretch a little further.

Buy petrol Monday to Wednesday:

Perth's petrol prices are usually lowest early in the week.

Stick to your shopping list. By making a shopping list and sticking to it you'll avoid impulse buying. Making a meal plan also keeps you on track of the things you really need.

Use your eyes in the aisle.

The cheaper items are frequently located either high up or low down on the supermarket shelves while the most expensive items are at eye level. And don't

assume in-store displays are on special compare them with items not being promoted.

Try the cheaper supermarket shampoos.

You might find yourself saving money on a product that's just as good. If you have a "Seconds" store nearby keep an eye out for shampoo and other necessities some are remarkably cheap.

Cheap laundry detergents work.

There are lots of good laundry detergents costing 35c or less per wash. Try them out.

Try generic brands.

You'll probably find them just as good as their big brand equivalents for staples like sugar, salt and flour and things like baked beans and spaghetti.

Forget bottled water.

It's an unnecessary luxury. Remember Evian is naïve spelt backwards!

Buy treats and snacks in the supermarket instead of the nearest convenience store

Shop around for insurance.

Car insurance rates vary quite considerably and you can save lots by shopping around.

Go ahead - make my lunch!

(Or preferably make it yourself.) Bringing your own lunch three or four times a week could save you over \$500 per year.



Are you in need of a better home loan?

You may not be aware that there's a constant stream of new loan packages being developed by financial institutions.

These arise as a result of competition between the institutions and also new packages are developed to suit particular situations.

And it's for this reason that it may be worth your while, if you've been in your current loan for some time to have it assessed.

You would be surprised at how often assessments find that people's circumstances have changed since they first took their loan with the result that it's well worth their while to change.

In giving an assessment we take a careful look at your current financial situation and advise you on whether it makes sense to change your home loan and what your best options might be.

Like an increasing number of Australians, you may decide the certainty of a fixed interest rate helps you budget in the face of fluctuating home loan repayments.

Or perhaps a split loan may meet your requirements.

Whatever you choose, we're here to help so call us and make an appointment to see us today.



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