



TotalCHOICE

home loans

NOVEMBER/DECEMBER 2011 | NEWSLETTER



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Who doesn't love a good debate? There are endless topics people choose to disagree over on a daily basis, from what's the best pizza topping to who should be Prime Minister.

In the spirit of debate, this issue of the newsletter tackles two topics notorious for getting people hot under the collar. On page 2 we look at what makes a better investment: new property vs. old property. On page 3 we consider the house vs. apartment debate.

You won't find us taking sides because like most debates, there is no single right or wrong answer. Instead we point out the pros and cons of each argument and leave you to have the final word!

Turn to page 4 for advice on beating work blues. This year may have seemed like a long one if you're unhappy in your job, so it's a great opportunity before the year ends to bring some satisfaction back to your work life.

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



**RATE
ROLLERCOASTER**



OLD VERSUS NEW



**HOUSE VERSUS
APARTMENT**



**BANISH
WORK BLUES**

▶ Rate Rollercoaster

We've spent the year expecting interest rates to go up, now there's hope they may be coming down. It's an unusual reversal of fortune and one that took many economists by surprise when just a few months ago the Reserve Bank was widely tipped to lift rates at least twice before Christmas.

While there is much disagreement about when the rate cut will happen and by how much, the majority agree the Reserve will at least keep rates on hold until the new year.

In a recent survey of 20 economists by the Australian Financial Review, the most popular prediction for the next six months is that the Reserve Bank will leave rates untouched (9 out of 20). Five said they expect rates to be cut by the end of the year, while five tip rates to rise over the next six months.

The Reserve Bank's next move is anyone's guess, but the progression of Europe's debt crisis and America's

economic slowdown may have a part to play. In the meantime a number of lenders are cutting their fixed mortgage rates, so if you are considering taking advantage of the lower rates on offer, call us and we would be happy to talk you through the process.



Total Choice Home Loans is a Full Member of the MFAA the peak industry association which provides a code of conduct and ongoing professional development for its members.

We are committed to keeping up to date with all the latest finance developments and innovations to ensure you get the best product and service everytime you contact us.



Total Choice Home Loans is a proud sponsor of World Vision, whose aim is to help change the lives of children, families and communities in desperate need.



Old versus New

If there's one topic property investors rarely agree on, it's what makes a better investment: old or new?

Proponents of buying 'old' argue that established dwellings are typically more affordable and can be renovated to create equity, whereas those buying 'new' argue that this is outperformed by the tax incentives that new properties deliver.

Confused? Here are the arguments for both sides of the debate, but remember there's no 'right or wrong' answer, regardless of which corner you stand in! Old and new properties both have distinct, unique advantages and what counts as an investor is that your decision matches your individual strategy and goals.

REASONS TO BUY 'NEW'

1. Tax depreciation

If you're an investor, one of the big advantages of buying a newly constructed property is that you can claim depreciation as a tax-deductible expense. This includes the depreciation of assets in the buildings and the cost of the building itself, as well as for wear and tear on fixtures and fittings in the property. The newer the property, the higher the level of depreciation.

2. Better quality tenant

Brand new properties tend to attract a better quality tenant, which means a higher rental income and fewer headaches for the landlord!

3. Less maintenance

Unlike new homes that require little maintenance, owners of second-hand properties are often faced with immediate maintenance issues. The costs of repair in older homes can significantly inflate ongoing expenses.

4. Warranty

As a purchaser of a new property you are protected for a number of years against major building defects by home warranty insurance, which all builders of new homes in Australia are required to carry.

REASONS TO BUY 'OLD'

1. Equity

There is little opportunity to add value to a new home, whereas the investment made in an old home can grow in the future should you choose to renovate or extend.

2. Affordable

It's often said that you get more house for less dollars buying a second-hand home than when buying a new one. For entry-level investors, old properties can have the advantage of an affordable price tag.

3. Unique appeal

Older homes often have great features that can't be replicated in new homes. A well-maintained period-style home, for example, will reap rewards in capital growth down the track

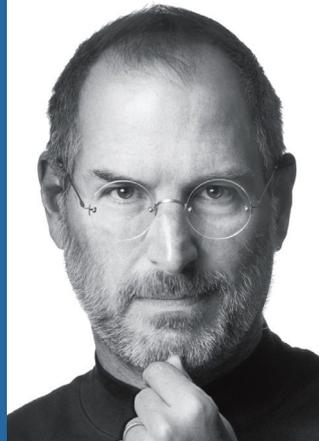
4. Established sales history

There's less guesswork in buying an established property because you'll be able to trace back the property's appreciation and find out how the suburb has performed. This can help give you the assurance you need that you're buying a good property.



Book Review

Steve Jobs by Walter Isaacson



Steve Jobs

By Walter Isaacson

From bestselling author Walter Isaacson comes the landmark biography of Apple co-founder Steve Jobs.

In *iSteve: The Book of Jobs*, Isaacson provides an extraordinary account of Jobs' professional and personal life.

Drawn from three years of exclusive and unprecedented interviews Isaacson has conducted with Jobs as well as extensive interviews with Jobs' family members, key colleagues from Apple and its competitors, *iSteve* is the definitive portrait of the greatest innovator of his generation.



House vs Apartment

Does a house make a better investment than an apartment? It's a common question but like the 'old versus new' debate, the answer depends on who you speak to!

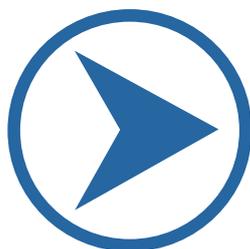
Houses are often perceived as slightly ahead on price growth than apartments; however, a recent RP Data Property Pulse report states that apartment values are increasing. Over the past five years (July 2006-July 2011) apartment values for combined capital cities have climbed 6.0 per cent, up 1.2 per cent on housing values during the same period.

So where does that leave you? Well, it's important to remember that regardless of whether you buy a house or apartment, your ultimate goal is to find a property that will deliver the best return on your investment in the long term. Factors like how much you can afford and what you want to achieve from your investment should drive your decision-making.

Here are some issues to think about that may help clarify which type of property best suits your investment goals.

- **Rental demand:** do your research about what type of dwelling will be popular in what area. An investment apartment near a university, for example, can allow you to tap into the demand for accommodation by overseas students.

- **Affordability:** apartments are cheaper to buy, making them a good option if you are a first-time investor and want to break into an up-and-coming market you couldn't otherwise afford.
- **Fees:** in addition to the usual landlord costs like council and water rates, you will have to pay strata or body corporate fees if you own an apartment. The more facilities on offer - such as pools, gyms or lifts - the higher the strata levy.
- **Maintenance:** houses generally require more maintenance than apartments but the upside is you can decide when to spend money on repairs. With an apartment, you are locked into a strata levy but at least much of the maintenance is taken care of by the body corporate.
- **Capital growth:** knowing the median prices and sales history of properties in the area you are considering buying into will give you a more accurate idea of whether a house or apartment will attract more capital growth.



Did you know?

When it comes to a choice between living in a house or apartment, a recent survey by PRDnationwide shows the house comes in as the top choice among Australians.

The survey of 1500 people nationwide found that a detached house on a 600sq m block within the inner 15 km ring of a CBD is the most preferable type of home.

A third of respondents said they would consider a coastal or regional property, 18 per cent wanted to live in a townhouse located six kilometres from the CBD and 12 per cent wanted to live in an apartment only three kilometres from the city.

Banish Work Blues

We all have periods when we feel less than enthusiastic about being at work. When this happens, consider the following tips for achieving greater job satisfaction.

- Develop realistic standards – strike a balance between what you ideally hope for and what you are likely to get.
- Work smarter, not harder – look for ways you can better organise your time, systems you can develop, or options for using technology to your advantage. It might take time to set up, but once you've made changes you'll find yourself working more efficiently and effectively.
- Learn to laugh – laughter is a cure for many ills and a great way to provide balance for stressful situations. A daily injection of laughter improves morale, clears the cobwebs from the brain and helps get the creative juices flowing.
- Give yourself praise and encouragement – don't wait for someone else to.
- Stop for lunch – it's tempting to wolf down a sandwich at your desk when you're busy but it's actually not a very productive use of time.

Even a small break outside in the fresh air will do wonders for boosting your mood and energy levels for the afternoon ahead.

- Banish negative thoughts – focus on what is positive and rewarding about your job and relieve mental tension and gloomy thoughts by making exercise a part of your daily routine.
- Turn colleagues into friends – start a social club or lunch group.
- Do it now – when faced with a difficult task, break it up into a series of smaller, more manageable jobs.
- Give yourself a distraction – it might be saving for a holiday, training for a marathon or re-decorating your home. When you have a personal goal to work towards, your job no longer dominates your life.
- Create a list – if you are overwhelmed with endless tasks and deadlines, ticking off things from a to-do list can help you regain control and give you the satisfaction of knowing you are making tangible progress.



Profile

Total Choice Home Loans was founded by Jonathan Oxlade (B.Bus Finance) in 2005 who, with many years finance and industry experience is able to assist all types of clients. Our service offering is one of a relationship looking at your overall financial situation not just a one off transaction. In conjunction with Total Choice Wealth and referral to a highly qualified Financial Planner, our business offers clients a full range of financial services and assistance, including Property Investment advice, Wealth protection and Asset protection, Superannuation, Retirement planning.

We aim to offer a long term, value for money, quality service, with hassle free finance solutions while being at all times professional and caring in our dealings with clients and business partners.

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