



TotalCHOICE

home loans

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With Christmas fast approaching, it's a good time to reflect on the many reasons why 2014 has been a year not to forget. Among them is the continued stability of the Australian cash rate, which has remained unchanged since August 2013. In the article below we look at whether this stability is expected to continue into the New Year.

Turn the page to find out how to get the most out of open house inspections and how to plan ahead for a successful renovation. As your mortgage broker we are in the best position to assist with your lending needs

for both scenarios – whether you need loan pre-approval to go house-hunting or to access funds for a renovation.

On page 4 we cover the topic of estate planning and why it's important to have a Will and mortgage protection insurance.

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



**RECORD RATE
STABILITY**



**OPEN HOUSE
INSPECTIONS**



**PLAN FOR A
SUCCESSFUL
RENOVATION**



ESTATE PLANNING

Record Rate Stability

It has been over a year since the Reserve Bank raised the cash rate, and economists predict it will remain at the historic low of 2.5 per cent until 2015.

Australians have enjoyed one of the longest periods of rate stability on record, and when rates do increase, it is expected to be a gradual process with several small adjustments over an extended period.

Economist surveyed by AAP believe there is a 46 per cent chance of an increase during the third quarter of 2015, a 21 per cent chance that rates will begin to rise in the first quarter next year, an 18 per cent chance of rates to

start rising in the second quarter of 2015 and a seven per cent likelihood of rate hikes from October next year.

RP Data reports that national annual house and unit sales have reached their highest levels in four years. While some economists have expressed concern about the high price of housing, it doesn't seem to be deterring buyers.

Despite house prices increasing by 17 per cent over the 2013/14 financial year (source: APM), this has been matched by a 10.4 per cent increase in house sales and an 8.6 per cent increase in unit sales.



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.



Open House

Inspections

The adage 'never judge a book by its cover' applies well to an open house inspection because the closer you look at a property the more you might discover.

Here's how to ensure you use the open house to find out as much as you can about the property's features and benefits.

Bring a checklist

Think about what is important to you and form a checklist of 'must haves' and 'desirables'. Break this down room-by-room, for example: the bedrooms must have built-ins or the bathroom must have good ventilation.

Take notes

After a morning of continuous inspections, it's easy to confuse one property with the next so it pays to take notes and photographs as you go. Attach the floor plan to your notes and be as thorough as possible – include comments or ratings on everything from noise levels and temperature to natural light and wear and tear.

Ask questions

Good questions to ask the real estate agent include: what is the reason for selling? How long has the property been on the market? Has the owner bought elsewhere? Has the property been for sale before with another agent and why didn't it sell the first time around? Are there any developments planned for the area?

Remember real estate agents work for vendors so avoid giving away too much information about yourself, particularly about your budget!

It's a good idea to ask the neighbours some questions too. Knock on doors and find out as much as you can about the property, while at the same time checking out the people you could be living next door to!

Obtain an inspection report

Ask the agent for an inspection report as soon as you know you're interested in the property. If you are in any doubt about the quality of the report, hire your own experts to get a building and pest inspection done.

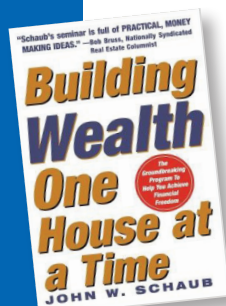
View at different times

Visit the property at different times of the week or day/night, even if you simply sit outside in your car, as this will give you a more realistic picture of variables like natural light and external noise (traffic, nearby schools, pubs etc).

Have your finances in order

There's no point in shopping around for a property without knowing your borrowing capacity. If you find your dream home and your finances aren't in order it may cost you the sale. As your mortgage broker we can assist you with obtaining conditional pre-approval for a home loan and after you've found a property that you're interested in, we can help you get a final formal loan approval.

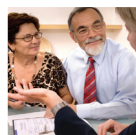
Book Review



Building Wealth One House at a Time: Making it Big on Little Deals

Strategies for creating real estate wealth by starting small--and always making the right moves

Nationally known real estate expert John Schaub learned his craft in the best way possible--on the job, and through every kind of market. Over three decades, he learned to bank consistent profits as he built an impressive real estate mini-empire. Building Wealth One House at a Time reveals how virtually anyone can accumulate one million dollars worth of houses debtfree and earn a steady cash flow for life.



Plan for a Successful Renovation



In the previous issue of this newsletter we looked at how to renovate for profit by buying the right property. This article covers how to achieve successful renovation by planning ahead.

"By failing to prepare, you are preparing to fail." (Benjamin Franklin)

Blowing your budget and sending your stress levels sky high are the usual consequences when you don't take the time to plan your renovation project from start to finish.

A good starting point is to think hard about why you want to renovate and make a list of all you want to achieve. Prioritise this list and include in it things you love to add, but can do without if need be.

Think about the functionality of the floor plan and layout before you begin your project and ensure the design of the renovation doesn't clash with your home's existing design or streetscape. Don't focus too much on trends as these come and go; think instead comfort and ease of living.

Before you get too involved in a particular design, check building regulations. Look on your local council website or run your proposal past a council planner to find out what might restrain your plans such as boundary setbacks, building heights, fire safety and local council planning provisions.

One of the biggest mistakes you want to avoid is to underestimate your costs. When drawing up a budget it is essential to include the costs that may not be obvious at first glance. Examples of these include: council fees, insurance, rubbish removal and alternative accommodation. Draw up a written agreement with your builder/tradespeople that spells out exactly what your expectations are and how costs will be affected if unexpected problems arise.

Always put aside a contingency fund for unexpected material, labour or associated costs. Organising a professional home inspection during the planning phase is an invaluable way of uncovering any surprises that can throw your renovation budget and schedule off track, like termites or faulty wiring.

The final stage of planning is to sort out the ways you can finance your renovation and this is where our help comes in. Give us a call and we can talk you through the loan products that best suit the type and scale of your renovation project.

Next issue: Financing your renovation



Did you know?

- The outdoor entertaining area, kitchen and bathroom are the three most popular places to renovate.
- Green features like solar hot water, rainwater tanks and drip-feed irrigation systems are increasingly being added to renovated homes.
- A common way renovators lose money is by delaying their decisions and/or changing their mind about aspects of the project after work has begun.
- There are no hard and fast rules about what makes a good renovation – it helps to live in the property and get to know it before you decide how best to renovate.

Estate Planning

Most of us expect to live to a ripe old age, but what if the unexpected happens and we don't? No one can ever predict what's around the corner, which is why it's important to have a Will and mortgage protection insurance in place to protect those we leave behind.

If you die without a Will (this is called intestate), your family may not inherit as you assumed they would because your assets - including property, cars, heirlooms - will be distributed by a pre-determined formula. Each state in Australia has a different process and formula but chances are, it's not the formula you would choose yourself, especially if you have an ex-spouse and children from a previous marriage.

As your mortgage broker we are in a uniquely independent position to advise you about estate planning. A well-thought out plan that documents specific procedures relating to various possibilities can help your family maintain control of assets in the face of tragedy.

The person who inherits your house when you die, for example, will also inherit the mortgage - and is responsible for the debt remaining.

Taking out mortgage protection insurance eases this burden because it covers your home loan repayments in the event of death, sickness, unemployment or disability.

There are also right and wrong ways to put a Will together. Here's some tips.

- Update your Will regularly, including changes such as marriage, divorce, buying a business or property. If you are in your second or third marriage, you can instruct your estate to be divided fairly between children from previous relationships.
- Ensure you leave adequate provisions for dependants or your Will may be contested.
- Seek advice on tax implications as these may alter the value of your assets when they are sold off.
- Be wary of putting a Will together without expert advice as it may be declared invalid if not prepared legally.
- Appoint a guardian to look after any children under the age of 18 until they are old enough to look after themselves, otherwise it may be left to the court to decide.



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.

Jonathan Oxlade and Total Choice Home Loans are licensed by ASIC credit licence 385844.

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.



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With compliments

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