

To All Our Valued Clients,

The second interest rate rise of the year may have priced many First Home Buyers out of the market. It's estimated that almost 4% of the FHBs looking to purchase homes this year can no longer afford to enter the market. While this is bad news, Up-graders and Investors can benefit: with temporarily less competition in the market, they may be able to snap up a bargain.

Many home buyers have been enjoying the Government cuts of stamp duty for new properties under \$600,000, but this ends June 30th. From July 1st, full stamp duty will be re-introduced.

The biggest news this issue is our coming Investment Seminar. There will be three presentations by professionals in the fields of Borrowing, Tax and Real Estate, so you can get a holistic view of how to begin investing in property. RSVP now to avoid missing out.

Although, this issue, we've catered mainly to people considering investing, we hope there's something in here to interest everyone.

Until next time ... Pauline

After the 2 rate rises by the RBA in March and April, the official cash rate sits at 4.25%. To put that into perspective: this time in 2008 it was 7.25%.

We Talk to an Experienced Property Investor

At Pride Mortgage Services, many of our clients are investors. In the lead-up to our Investment Seminar in May, we had a quick chat to one of these clients to shed some light on the process...

How long did you think about investing in property before taking the plunge?

We were thinking about it for around 2 years.

What was your first step?

I was approached by my sister to buy a unit with her in Qld. This seemed less scary than buying one on our own so we decided to give it a go.

How did the process meet your expectations?

It was easier than we'd expected.

What was your first investment property?

Our first investment was a unit in Broadbeach, Qld. It is an older building but had less to worry about as it had no pool, lift etc.

How many properties do you have now?

We have 3.

In hindsight, what would you have done differently throughout all your property investing?

My second investment is a unit as well. Our third is a house. We are happy with all aspects of our first investment. In hind sight I would have bought houses instead of the second unit: houses are cheaper to maintain and the value goes up more.

Ready to take the plunge yourself, or simply want more information? Call or email Pride Mortgage Services and RSVP for our investment Seminar now.

Investment Seminar

We're holding an Investment Seminar on the 11th May, 2010, in conjunction with our good friends at S&K Accounting and ReMax Combined Realty. If you have not received an invite email us at paulinepridemortgageservices.com.au and we'll get one straight to you.

WHAT CAN PRIDE MORTGAGE SERVICES DO FOR YOU?

As well as doing all the running around, our customer care program that looks after you long after your loan has settled and taking advantage of almost a decade of property investment experience, Pride Mortgage Services may also be able to get you a better loan than what you'd expect.

In the last month we've obtained a formal approval for a pair of our clients in two days, got the application fees for some of our clients waived and obtained a larger discount than the banks standard discount on a loan for some prospective clients.

In March and April the RBA increased official interest rates, we sent out emails to all our clients informing them that afternoon. We offer to evaluate your home loan and your financial circumstances, not just when interest rates change, but every year. We sent around emails to clients of certain lenders when they released products that may appeal to them and we're holding a seminar on investment for anyone wanting more information on securing their retirement.

If you know someone who is still dealing directly with the bank, ask them "why?"

TESTIMONIAL

Thank you for helping us with the purchase of our new home. It is a pleasure to deal with someone so pleasant and always there to give advice regardless of what time of day or night it is. Pauline is never too busy to help, often making visits late at night or weekends. Pauline also helped our son purchase his first investment property and it was then that we decided that we would utilize Pauline's expertise when we needed to invest again. We couldn't be happier with the service we received.

I wouldn't hesitate at all to recommend Pauline to my family and friends. Thanks again, Pauline.

-Nick & Salvina M, Greystanes

Do You Have Adequate Protection for Your Family?

As many of you know, I am an authorised representative of ALI – Australian Life Insurance. We offer three FREE months cover (no obligation, you can cancel when your three month trial runs out and pay nothing) when we meet with our clients to put together an application. This Loan Protection Plan pays out in the event of your death or diagnosis of terminal illness (with a life expectation of 12 months or less) and offers partial payouts for 11 serious illnesses. We can offer this to any of our clients we discuss finances with – so if you're interested just give us a call.

I recently received an email from a contact at ALI, forwarding the stories of two ALI customers whose families had been aided greatly by their policy.

The first family – who were good friends with their broker – were signed up on the 28th of February and their policy was processed on the 3rd of March. One of the clients, a 36-year-old man, passed away very suddenly on the 6th of March. He and his family thought he was perfectly healthy.

The second customer and his fiancé were a young couple planning their wedding. They took out their policy in November when they were buying their first home. On the 4th of December the young man was killed on his way to work. His partner received the cheque for the balance of their home loan debt on Christmas Eve.

Although the policy does not make up for the loss of your loved one, eliminating your home loan and not having to worry about making the repayments on your own can certainly help. It's one less thing you need to worry about while you're mourning and healing.

Tragedies like these strike every day, but when you hear the stories from people who have been affected, you can't pretend it never happens. What would your family do if you weren't there with them? Would it be easier on the family to know that their home is secure?

To discuss your insurance needs or for more information about the Loan Protection Plan, contact us now.

HOUSING SHORTAGE TO WORSEN

A release by the Housing Industry Association in March, states that Australia has a home shortage of approximately 109,000. Worse still, they estimate we will be short 466,000 dwellings by 2020.

The demand for rental properties is too strong, with vacancies low and most renters struggling to find a property to suit their needs, or sometimes, any vacant property at all! The only way to ease this pressure is to build more NEW homes.

Although there was a small jump in the amount of new homes being built late last year – because of the extensive Government grants – new dwelling numbers have slowed once more.

Housing industry Association Senior Economist, Ben Phillips says "Current construction levels in most high demand areas are simply not sufficient to meet the needs of a fast growing population."

RENTAL PRICES TO INCREASE IN 2010

The housing shortage is not the only factor putting upward pressure on rental asking prices. After consistent increases in 2007 & 2008 (12% each year), 2009 saw only a marginal increase in rental prices in Australia.

The GFC as well as interest rates cuts and a general financial insecurity held prices down last year. This year very strong rental demand, rising interest rates, economic recovery and the fact that rental prices have some catching up to do will combine to create a very likely rental price increase.

Michael Bell, an Economist for Australian Property Monitors is expecting steady growth throughout 2010, also noting that landlords also have "rising land taxes due to increasing land values, should mean that asking rents will start to increase."

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By now you probably know that Pride Mortgage Services has a page on Facebook, just getting with the times. If you're on Facebook find us and become a fan. We're working on building up our Facebook fans, so if you're on Facebook, please leave a comment or post on the Pride Mortgage Services page and help us keep in touch with all our clients.