



Buying property - plan your attack ■ Don't be a big mouth ■ Make 2015 your year ■ Fighting fit ■ Super healthy & super on flavour

THE HEAT IS ON IN THE PROPERTY MARKET – DON'T GET LEFT IN THE SHADE



This summer is expected to be a hot one for the property market. With many economists predicting the official cash rate to remain low for some time¹, this summer could be a great time to consider a property purchase.

Following the Reserve Bank's 15th consecutive month holding the official cash rate at 2.5% in November 2014, Ninemsn Finance reported it was widely expected a rise in rates would not now come until mid-2015.¹

Meanwhile, Fairfax's Domain Group released its State of the Market Report for the 2015 financial year on September 18, predicting that Sydney's median house price will lift between 5 and 7 percent during the 2015 financial year, while Melbourne prices are predicted to rise between 3 and 5 percent. While still a strong growth prospect, these numbers are around half the rate at which prices grew for the 2014 financial year, indicating prices may present more value for buyers in the coming year.

Over the years, well-selected property has certainly proven to be a strong asset choice, with values growing over time. Research by ASX and Russell Investment's² for example, recently showed that residential property delivered more steady gross returns over the 20 years to December 2013, compared to shares, returning 9.9 per cent per annum. The current high demand for property is certainly highlighting the investment potential of real estate, recognised by investors across the country. But with strong demand, comes strong competition, so it's important to be on the front foot when it comes to shopping for property this summer.

Check out our hot buyer tips on page 2.

¹ <http://www.finder.com.au/press-release-cash-rate-holds-but-lenders-move-rates-borrowers-urged-to-take-advantage-of-mortgage-season-promotions>

² <http://www.asx.com.au/documents/resources/russell-asx-2014-long-term-investing-report.pdf> (p. 7)

Welcome

Welcome to our summer newsletter. Certainly, the summer heat isn't letting the Australian property market cool down, with bricks and mortar remaining a firm favourite among Australian investors. If you're looking to crack the market this summer, read on, for some great tips on turning your property aspirations into action.

We've also got some great suggestions on how to make 2015 a year to remember as well as making the most of the summer months; financially, physically and festively. So pour yourself a cool drink, put your feet up and enjoy the read.

Wishing you all the very best for the New Year.

Best Regards

Daniel O'Brien



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Buying property - plan your attack

Get organised: A good first step is to go through your financials and goals for your property purchase, so that you can get a good idea of your borrowing power and obtain pre-approval for a home loan, so you are ready to take action. Contact us to arrange an updated valuation for your property so you know exactly how much you will be able to borrow.

Build your knowledge: Next, do your research around good value areas to buy. As well as price growth potential, you'll also want to consider proximity to transport links, schools and business districts – as well as convenience. These factors will affect your resale value and the amount you'll be able to rent the property out for if you're buying to invest.

Hit the pavement: With the sun shining, summer is a great time to visit a lot of open for inspections and really shop around to get the property you want. It's also typically a good time to negotiate a good property price – with many potential buyers on vacation, the market may not be as crowded as in spring, and vendors will often be keen to settle a sale quickly before the new school year. So don't get left in the shade – act now to secure yourself a property this summer! For more information on your finance options for a new home, give us a call today.



**PROXIMITY TO
TRANSPORT
LINKS, SCHOOLS
AND BUSINESS
DISTRICTS WILL
AFFECT YOUR
RESELL VALUE**

Don't be a big mouth

This may be difficult for those who are keen to share the highlights of their holiday on social networking sites. However, while you might think you're only sharing this information with friends, you never know who is following you online and how they may use that information.

On Facebook, for example, if your friends comment on your photos or status, this often appears in their own newsfeed, quickly multiplying the number of people who can view your updates. Try to contain your urge to brag – at least until you're back home!



MAKE 2015 YOUR YEAR

As we move into yet another new year, it's important to take some time to take stock of the year that was and what you want out of the year ahead. The start of the year marks an ideal time to review your personal finances, and with many of us fortunate enough to have some time off, summer can provide the perfect occasion to nut out some resolutions and a roadmap for success.

Plan for success

"If you fail to plan, you are planning to fail." No true success comes without some solid planning and goal setting. Take some time this summer to think about your financial goals – both long and short term. A great way to stick to any resolutions is to keep them front of mind. Set a monthly reminder to review and track your progress or create a 'vision board', using a piece of cardboard and some creative licence. Keep it somewhere you will see every day, to help you stay focused.

Financial health

No financial commitments should be set-and-forget. As you head into the new year, it's a great chance to review your home loan arrangements and any other financial commitments. Ask yourself, how are you managing your loan repayments? Do you think you could be paying more off your mortgage? Or perhaps you're finding your current set-up difficult to maintain? A different loan or repayment

set-up could be a simple but effective way to improve your financial circumstances in 2015.

Anticipate change

Some things in life are impossible to plan for, but others not so much. Major life changes and milestones can impact our finances significantly, but by being prepared, we can minimise the risks and disruption. Take some time to consider whether any major events could interrupt your financial arrangements in 2015. A new addition the family? A change in employment? Even if it's something a couple of years away, by planning now, you'll be much better placed to handle any bumps in the road.

Eye for opportunity

The beginning of the new year represents a great opportunity to assess the prospects for new ventures. Would you like to buy an investment property this year? Are you dying to renovate or head overseas? Think about your aspirations and how you might be able to achieve them. If you have an existing home loan, chances are you may have already acquired some equity that can be used to fund a new home or an investment property - or renovations and holidays. But you'll never know if you never take the time to find out.

Why not give us a call today to discuss your financial goals for 2015 and how we can help you get there.

FIGHTING FIT

As summer comes into full swing, there is no better time to get out and about. Why not take advantage of the weather and improve your health by trying one of these new fitness trends?

Paddle-boarding: If you haven't tried paddle-boarding yet, it's a great way to improve balance and leg strength – and you don't have to be a pro surfer to succeed! You can hire a board at most beaches and lakes, and if you're feeling especially adventurous, you could even try paddle-board yoga.

Obstacle courses: You may have noticed that military-style commando courses, from Tough Mudder to the Spartan Race, are popping up everywhere lately. Challenge yourself and recruit a group of friends to train with you – just don't cut yourself on the razor wire!

High-intensity interval training (HIIT): Have you seen those people at the gym hurling ropes across the room and lugging sandbags? This is HIIT, a new intense workout designed to give you great results in just 20 minutes. Come summer, many gyms may offer these boot camp-style classes outdoors – ask at your local fitness centre.

KEEP COOL THIS SUMMER

As lovely as it is to enjoy the outdoors, keeping cool in summer is high on the agenda – especially if you've been busy exercising. Try some of these natural ways to keep cool this summer:

- **Freeze fruit:** Pop some fruit, such as watermelon and grapes, in the freezer before eating them. A delicious, healthy way to keep cool.
- **Cool as a cucumber:** Feeling red and puffy? Slice of cold cucumber can do wonders for relieving post-exercise heat and heat-induced head tension.
- **Cool hit:** Try storing your body lotions in the fridge for quick, cool foot relief.
- **Close the curtains:** Air conditioning doesn't have to be your only option for keeping cool during the warmer months. Keep out the heat by closing your curtains. But remember to open windows when it is cooler outside to make the most of a cool breeze.



30g

A DAY HELPS TO
REDUCE
CHOLESTEROL
AND BOOST YOUR
INTAKE OF HEALTHY
OMEGA-3 FATS

Super healthy & super on flavour

Looking to start the new year off with a health kick? Check out these tasty super foods to inject some extra nutrients into your diet, and ensure you're looking and feeling your best in 2015.

1. Quinoa

This trendy new carb substitute is one of the best whole grains you can eat, being high in protein and fibre and a naturally good source of iron.

It keeps you full for longer so it's great for lunch to help you avoid afternoon sweet cravings – try in a salad with kale, grated carrot and a tahini dressing.

2. Walnuts

Nuts may be a healthy snack, but in terms of nutritional benefits walnuts actually have the most to offer. Just 30 grams a day helps to reduce cholesterol and boost your intake of healthy omega-3 fats – try them in a fresh summer salad with spinach, pear and lime juice dressing.

3. Asparagus

Crunchy green asparagus spears are one of the best veggie sources of folate, a B vitamin that boosts your supply of 'happy chemicals' dopamine and serotonin. This makes them perfect for boosting your mood and energy – try them with spelt spaghetti, lemon rind and olive oil for a fresh summer pasta dish.

4. Coconut oil

This heart-healthy antioxidant can help your body in a myriad of ways, including boosting thyroid function, aiding digestion and helping your body kick colds and other illnesses quicker. Add a tablespoon to whole wheat pancake mix for a tasty breakfast treat.

5. Salmon

Oily fish is great for reducing your risk of heart disease, and salmon is a particularly good choice as it's high in protein and vitamin D. It's also really easy to cook – try roasting in foil with garlic, cherry tomatoes and lemon for a healthy family dinner.

6. Sweet potatoes

These are a good substitute for regular potatoes, being high in vitamins A and C, and loaded with calcium and potassium to help maintain bone density as you get older. For a jacket potato dinner, they are great stuffed with ricotta, kale and pan-fried garlic slices.



A MIXED BAG FOR ECONOMIC INDICATORS



2014 delivered an assortment of economic data and forecasts, some positive and others not so positive, but as we move into 2015, the overarching view is that Australia's economy remains relatively healthy and the envy of many of our international counterparts.

Both consumer and business sentiment dipped and climbed over the year. The Westpac-Melbourne Institute Index of Consumer Sentiment⁵, for example, plunged 6.8 per cent in the aftermath of the Federal Budget but gained ground between June and August, rising by 5.9 per cent. But the Index recorded another surprising dip in September, dropping by 4.6 per cent from 98.5 to 94.

Similarly NAB's diffusion indicator for business confidence⁶ jumped to a post-election high in July, lifting to 11 points from 8 points in June, then dropping back to its June level again in August. This points to some ongoing uncertainty in the outlook for business conditions, but the index is well up on its 2013 levels.



6.1%

**LARGEST MONTHLY
IMPROVEMENT ON
RECORD FOR THE
NATIONAL
UNEMPLOYMENT
RATE**

On the employment front, indicators were equally inconsistent, with the national unemployment rate dropping from a 12 year high of 6.4 per cent to 6.1 per cent in August⁷, the largest monthly improvement on record. However, this followed a spike in the unemployment rate just one month earlier. The ANZ Job Ads series⁸ was slightly less erratic, gradually strengthening over the course of the year and was up 8 per cent for the year to August.

The property market remained a hot spot to be across much of the country in 2014. The Australian Bureau of Statistics reported that there were \$28.6 million of housing finance commitments in July 2014 - an 18.2 per cent increase on the year prior⁹. Even the cooler months of winter couldn't dampen demand for property. According to the August RP Data CoreLogic Hedonic Home Value Index¹⁰, capital city dwelling values moved 4.2% higher over the three months to the end of August, the strongest capital gain over the three months of winter since 2007.

Despite a slowdown in China, the end of the mining construction boom and ongoing uncertainty in the global economy, Australia's economy continues to grow, albeit at a more sluggish pace. An economic outlook released by BIS Shrapnel¹¹ in September forecasts the economy to operate at below full capacity over 2014/15 with a pick up and gradual return to long-run average growth to come through in 2016. Of course, the upside of slower economic growth is low interest rates, which are expected to remain low for some time.

⁵ <http://www.westpac.com.au/about-westpac/media/reports/australian-economic-reports/>

⁶ <http://business.nab.com.au/monthly-business-survey-august-2014-7909/>

⁷ <http://abs.gov.au/AUSSTATS/abs@.nsf/mf/1345.0?opendocument?opendocument#from-banner=LN>

⁸ <http://www.media.anz.com/phoenix.zhtml?c=248677&p=irol-jobad&nyo=0>

⁹ <http://www.theadviser.com.au/breaking-news/30767-housing-finance-commitments-jump-18-2pc>

¹⁰ http://www.rpdata.com/research/capital_city_housing_market_records_strongest_capital_gain_for_winter_since_2007.html

¹¹ http://www.bis.com.au/reports/economic_outlook_r.html

Daniel O'Brien

PFS Financial Services
208 / 5 Celebration Drive
Bella Vista NSW 2153

P: 1300 368 917
www.pfsfinancial.net.au
E: daniel@pfsfinancial.net.au
ACN: 119 592 979

Daniel O'Brien holds an individual Australian Credit Licence.

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