



key mortgage solutions
finance for home and business

Australian Credit Licence No 381336

money matters



RICHARD

RAY

A Guide to property investing

If you are thinking about buying an investment property, this guide might be useful for you.

1) Learn before you look

Research the market before you start hunting for your investment property. There are property seminars available for free and attending one or two of them will provide you with a basic knowledge to help you make the right decision. The internet can also be useful to assist you with studying prices and areas.

2) Pick the right agents

Find an agent who has a record of success and experience in dealing with investors. Working with an investment specialist and allowing them to point you in the right direction can make and/or save you thousands.

3) Pre-approve your finance

As your mortgage broker, we have access to multiple lenders and loan options. We will be able to advise you on the best investor loans and will also point out the strong and weak points with each loan option. A pre-approval will give you the power of a cash buyer.

4) Choosing a new or established property

A brand new house or apartment may offer considerably higher tax benefits through depreciation. However, an

established property also has the advantage of current owners adding and paying for all extras to the house. Deal with a specialist investment agent that offers both new and established options.

5) Know the median price

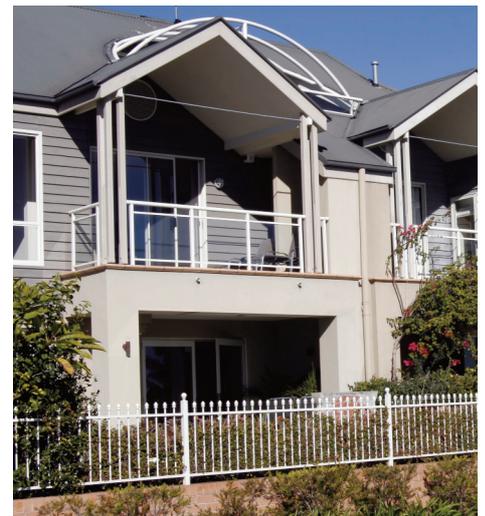
Once the suburb where you will want to purchase has been decided on, research the median price and be sure to buy at or below that price. Properties that are purchased above the median will always take longer to gain equity than those purchased below the median in any suburb.

6) Calculate the two returns on investment

To gain a true indication of your total return you will receive over time, you will also need to calculate the projected capital appreciation, keeping in mind that properties in Australia have shown substantial market spikes in value every 8 to 10 years for the past 100 years. Add your yearly rental return to the equity gain and the property becomes a very attractive proposition over time.

7) Beware the doer upper

Buying a doer upper might cost you more by the time you have paid for all renovations, spent nights and weekends working on the property and missed out on rental income throughout the process, whilst still paying the mortgage. Paying a



little more for a home that was in top shape and ready to rent might have been better off.

8) Maintain your investment property

Keep the property professionally maintained to be able to attract premium rents and premium tenants. All properties will need maintenance from time to time.

9) Leave your heart at home

Buying an investment property is different to buying a family home. It is important that the decision is as emotionless as possible, rather than being influenced by your heart.



HOME LOANS



COMMERCIAL



LEASING



PERSONAL LOANS



RISK PROTECTION



INSURANCE



INCOME PROTECTION



CASHFLOW



RBA kicks off 2013 keeping the official cash rate at 3 percent

RBA governor Glenn Stevens noted there had been "significant" cuts to interest rates during the past 12 months which were still taking effect.

"Present indications are that moderate growth in private consumption spending is occurring, though a return to the very strong growth of some years ago is unlikely," Mr Stevens said in a statement.

"There are signs that the easier conditions are having some of the expected effects."

"The board judged that it was prudent to leave the cash rate unchanged," Mr Stevens said.



Can I still borrow after bankruptcy?

Sometimes bankruptcy is a necessary last resort for many people, even though it has a negative effect on one's credit file.

Bankruptcy generally lasts for 3 years, but the effects of declaring or being forced into bankruptcy will be felt for many years after the bankruptcy has ended.

Credit reference companies maintain their record of the bankruptcy for a period of 7 years, so a bankruptcy will definitely affect an individual for at least another 4 years after discharge.

So what can they do to improve their likelihood of obtaining finance after bankruptcy?

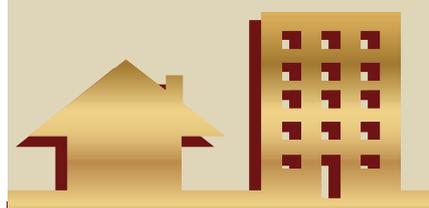
1. Applying for a low limit credit card. If they can manage this card responsibly, it could be a factor in improving the person's credit score with the financier.
2. Develop a budget and stick to it. A person's assets, liabilities, income and expenses will assist in obtaining credit.
3. Have a good employment history
4. Try to develop a savings history and put together a deposit to show the bank that they are responsible

These suggestions above might not guarantee you credit, but a discharged bankrupt will greatly improve their chances of obtaining finance.

Understand what finance product you are buying

There are an enormous number of financial products available in the market and there are plenty of people selling them. However, some of these products are completely inappropriate for clients the marketing message is being pitched at. So make sure you take note of these few truths and tips about buying a financial product:

- 1) If you don't understand it, don't buy it
- 2) Don't put much money in any one product.
- 3) Reward is always balanced by risk. You will be told about the rewards, but if you cannot see the risks, you clearly do not understand.
- 4) Don't let people rush you into buying any particular one. There are hundreds of financial products out there. If you don't like this one, find another!



HOME LOANS



LEASING



COMMERCIAL



RISK PROTECTION



PERSONAL LOANS



INSURANCE

For all your Insurance needs contact Allianz direct on 1300 858 642 and quote broker ID 24946 to receive the Broker discounts.



Key Mortgage Solutions
Suite 309
370 St Kilda Road
Melbourne VIC 3004

Richard Bland – Principal
E: richard.bland@keymortgagesolutions.com.au
M: 0422 234 036
P: 03 9686 7199 / F: 03 9686 3644

Ray Stewart – Finance Executive
Australian Credit Rep No: 364308
E: rays@keymortgagesolutions.com.au
M: 0413 429 613
P: 03 9879 3828 / F: 03 9879 4717
W: keymortgagesolutions.com.au

Some of our lenders include

