



key mortgage solutions

finance for home and business

Australian Credit Licence No 381336



RICHARD

RAY

ZAC

GEOFF

money matters

November / December 2017



WHY LOCATION IS AN IMPORTANT FACTOR WHEN INVESTING IN PROPERTY

If you're looking at property investment, two of the most important factors for your consideration should be high growth rates in property values and relatively high rental returns.

Many people naturally assume the best investment properties are located in areas where there are high growth rates in property values.

However this isn't necessarily the case as it neglects to include the importance of rental returns.

Contrary to popular belief, most property investors are average income earners who own one or two properties and primarily invest in property to boost retirement savings.

They also generally need to borrow funds for their purchase, meaning there is a limit to how much they can afford to pay for their initial investment. It also means that higher rental returns will significantly assist with loan

repayments and take much of the financial burden of owning another property off of the investor.

What is a reasonable rental return for an investment property in Australia?

In the main capital cities and regional towns, the gross rental return for new investors purchasing the median priced house or unit and receiving the median rent is now between four and five per cent.

Before jumping into purchasing an investment property, take the time to investigate all possible locations of interest.

Remember, what makes an attractive home doesn't necessarily make an attractive investment property proposition, so be clear to differentiate between the two sets of priorities before making your choice.

most property investors are average income earners who own one or two properties



HOME LOANS



COMMERCIAL



LEASING

PERSONAL LOANS



RISK PROTECTION



INSURANCE



INCOME PROTECTION



CASHFLOW

COMPARISON SITES vs BROKERS

WHY IT PAYS TO TALK TO YOUR BROKER

Comparison websites are readily available and it's tempting to think that in only a few online clicks they can help you find your perfect home loan. But from experience we can confirm not all loans are created equal.



These days, it seems there are endless options when it comes to home loans but not all of them will be right for your needs. You may see a loan and get your hopes up only to discover you don't qualify for the advertised rate: there are many reasons why the various loan products you find online aren't right for you, but it's hard to know without talking to an expert.

There have been many scenarios in which lender limitations have excluded home buyers from being eligible for certain loans. Each lender usually has a long list of conditions they apply before they approve a home loan application. These can include borrowing capacity (the amount you can borrow and therefore the size of a deposit you need), loan to value ratio (the proportion of money the lender is prepared to give you compared to the value of the property), whether you're buying a home, an apartment or a commercial property, whether you'll be building a new home from scratch, whether you're an owner-occupier or an investor, and many other conditions and circumstances.

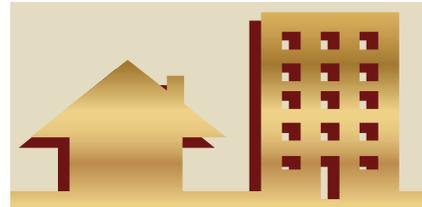
It can also depend on postcode or the type of development you are buying into. Some lenders don't like small units, for example, so you may find it hard to find a loan.

To complicate things further, lenders are constantly changing or tightening the rules, which can make it hard to keep up.

Mortgage professionals have access to many lenders and hundreds of different loans. Another huge advantage of using a Broker is that they are constantly examining the different loans on the market, taking into account the various fees, initial and ongoing charges, mortgage insurance, flexibility, genuinely useful loan features versus expensive but unnecessary extras, as well as 'honeymoon rates' that look attractive online but revert to something much higher within two or three years.

We will look at your entire situation – including short-term, medium-term and long-term goals – and help you assess all the options available to you.

Have a plan for the future you need to discuss? Let's meet up!



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



MFAA FULL MEMBER

MFAA APPROVED BROKER
EDUCATION • EXPERIENCE • ETHICS

Key Mortgage Solutions

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

Zac Barnard – Finance Broker
Australian Credit Rep No: 448019
E zac@keymortgagesolutions.com.au
M 0416 929 997

Geoff Corteling – Finance Broker
Australian Credit Rep No: 488395
E geoff@keymortgagesolutions.com.au
M 0416 286 550

W keymortgagesolutions.com.au

Some of our lenders include



Our business is built on referrals and we would welcome the opportunity to assist any of your family or friends, also with their finance.

Important note: Readers should not rely solely on the content of this newsletter. All endeavours are made to ensure the content is current and accurate however, we make no representations or warranties as to the accuracy, reliability, completeness, or currency of the content. Readers should seek their own independent professional advice before making any decisions based on the information contained herein.