

ISSUE
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2019

THE INVESTOR

END OF YEAR COUNTDOWN

Health Fund Reminder

TAKE ADVANTAGE & SAVE

Do you have private health care insurance with extra benefits?

Most private health funds will re-set their extra benefits each new year, which means any remaining extra cover allowances you have will not roll over into 2020.

Depending on your extra cover, you may be entitled to free or heavily discounted products or services (if you have not reached your threshold).

Act now to take advantage of any benefits that you may need to offset the premiums that you have paid.

LIST OF POSSIBLE EXTRAS *

Dental, Optical, Chiropractic, Physiotherapy, Osteopathy, Antenatal And Postnatal, Pharmacy Medicines, Dietary, Psychology, Podiatry, Speech Therapy, Exercise Classes At The Gym, Personal Trainer Sessions, Yoga, Pilates, Exercise Physiology, Dietary Advice, Swimming Programs For Children, Online Health Management Program, Discounted Gym Membership, Entry To Fitness Competitions Or Fun Runs, Fitness Equipment, Activewear, Naturopathy, Homeopathy, Massage, Reflexology, Chinese Herbalism, Eye Therapy, Occupational Therapy, Home Nursing, Health Aids and Appliances

* A guide only



BECOME AN INSTANT EXPERT IN BUYING A PROPERTY

CHOOSE THE QUESTIONS YOU WANT TO ASK

What projects are happening in the area?

What is the suburb's yield median and what is the property returning?

Does the local industry have expected wage growth?

What kinds of properties match the local demographic: houses, units, townhouses or apartments?

How many bedrooms should a property in this area have: one, two, three, four or more?

Should it have a rumpus room and/or an alfresco entertainment area?

Should it have a single or double garage?

Should it have one, two or three bathrooms?

Should it be single level or multiple levels?

Is the value better in an old or new property in the area, to achieve the greatest profit?

Would tenants pay more for a pool?

Would tenants pay more for the property to have air conditioning?

Why do the owners want to sell?
How long has the property been on the market for?

Have they had any offers so far?

Is adding value to the property better to do now or later, and how should this be done?

What is the percentage of renters in the area?

What is the vacancy rate in the area?

If the focus is on capital growth, what makes the street, suburb, town or city a good growth area?

Is the trend of selling property by private sale or at auction?

What are the current average days on market for a property in the area?

What price do you think the owners would accept?

What type of person or tenant would live here?

What is the current market rent for this type of property?

What are similar properties in the area selling for?

Is the property in a known flood zone?

Has there been property discounting occurring in the area?

What are the auction clearance rates of the area?

What is the population growth forecast in the area?

BECOME AN INSTANT EXPERT IN BUYING A PROPERTY

What is the neighbourhood like?

What fixtures and fittings are part of the purchase and what aren't?

Are there any covenants, caveats or any regulatory impositions on the property?

Are all works done on the property permitted?

Are the foundations structurally sound?

Are there signs of internal or external damage that has been covered over?

Are there any known problems pertaining to roofing?

Is there a recent valuation or building report?

How motivated to sell is the vendor?

Does the vendor have a building report?

Is it a buyers' or sellers' market?

Can I get vacant or early possession?

Will the vendor take a small or low deposit?

Is there anything I should know about the property?

HOW MUCH SUPER DO YOU THINK YOU NEED TO RETIRE?

It's the magic figure everyone wants to know, 'How much money will I need to fund my retirement?' The answer to this will depend on your personal circumstances, the type of lifestyle you want in retirement, and how long your money needs to last.

WORK OUT HOW MUCH YOU'LL SPEND

Before you start planning for your retirement, think about the lifestyle you want once you finish work. Do you plan on travelling the world or heading to the nearest bowls club?

One way to estimate how much you'll need is to use the two-thirds rule. This suggests you'll need approximately two-thirds of your current income each year to maintain the same standard of living in retirement.

The Association of Superannuation Funds of Australia (ASFA) has also put together a *Retirement Standard*, which you can use to estimate how much you will need to retire.

These numbers assume you are age 65, will own your home outright, and are healthy.

Retiring modestly

Allows for basic activities and short domestic holiday breaks.

Single retiree: \$27,814 per year

Couple: \$40,054 per year

Retiring comfortably

Allows for a broad range of leisure and recreation activities and occasional overseas holidays.

Single retiree: \$43,601 per year

Couple: \$61,522 per year

For a more accurate indication there are many online calculators – just search:

Income account payment: How long your super could last

Retirement income: If you are on track to be able to live the lifestyle you want

Life expectancy: How long are you likely to live

LENDING RULES SET TO RELAX

IMPROVED CHANGES TO BORROWING CAPACITY

Recently, some of the big banks have announced that they are taking steps to make it easier for investors to buy properties by changing their lending rules, including an increase in the maximum loan-to-value ratio for interest-only investor loans. Investors taking out an interest-only loan will now be allowed to borrow as much as 90% of their target property's value, reducing their deposit requirement to 10%. This change will apply to new purchases, refinances, and loan variations.

Borrowers switching from principal-and-interest can also take advantage of the lowered deposit requirement. However, borrowers will need to adhere to the current switching policy and will only be able to switch to interest-only repayments post 12 months of loan drawdown. They also announced changes to Household Expenditure Measure (HEM) calculations. Referrals to a separate credit review will no longer be required in instances where expenses are higher than 130% of HEM. It is expected that these changes will deliver faster turnaround for loan approvals.

Source: *Your Investment Property* | Westpac

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RISTIC NEWS!



Celebrating 1 year working with this superstar property manager!!



Happy 1 year with Ristic to the amazing Amanada!! Thank you for all your hard work.



Christmas trading hours

Closed from 23rd December 2019 - 1st January 2020
Trading as usual from the 2nd January 2020

The team at Ristic would like to wish you a joyful festive season & a prosperous New Year.



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