

# Property Investor Report



## Home Loan Squeeze

So, most of us are preparing to receive our second "Stimulus" cheque which should be in the mail over the next two weeks. The government may also be extending the First Home Owners Grant (FHOG) Bonus after 30<sup>th</sup> June. The RBA also looks as though it will continue to reduce the Official Cash Rate thereby controlling monetary policy through lowering Interest Rates.

All Good News!

The problem is that the four major banks (ANZ, CBA, NAB & WPAC) are not reducing their rates by the same margin.

The banks are claiming increased funding costs to justify their increased margins. The reality is that the four major banks have never had it so good.

Competition has been removed as a result of the U.S. financial meltdown and a large number of financial institutions have left the marketplace.

The Four Banks are also minimizing their lending risk. As I

write this article, it is almost impossible to purchase a house with just 5% deposit—you now need a minimum of 10%. This means that a First Home buyer will have to save \$40,000 deposit to purchase their \$400K home (and NO, the FHOG can not be used as part of this deposit)

Unfortunately the government's FHOG Bonus will be of little benefit to those who do not have other savings already in place.

It will be interesting to see how the federal government will adapt to this changing financial landscape.

One option open to the government is to allow owner-occupied property buyers to access their Super funds. (This option is already available to those who have self controlled Super funds, as these Super Funds can borrow money from the banks to purchase investment property). This, I believe, is being trialed in New Zealand at the moment with great success—and it is interesting to note their

employer Super payments are not compulsory!

So, in the interim, we are facing an ever-changing landscape in regards to bank lending policy, and it will only get increasingly more difficult to borrow.

Fixed rates have also increased in the past week (CBA and WPAC) so it may be time to look at fixing part of your Home Loan.

With the above in mind, if you are thinking of borrowing in the near future to renovate the house, put in a swimming pool, extend to create more living space, etc, I invite you to contact me, as you may have only a small window of opportunity to arrange funding before it is too late.

**David Clair**  
Finance Manager  
Solutions Finance

Ph (07) 3888 0098



*\* These recommendations are of a general nature, and you should always seek independent financial advice before making a decision.*

# Leased in April



| ADDRESS                     | DETAILS                           | RENT  |             |
|-----------------------------|-----------------------------------|-------|-------------|
| Tylah St, Kallangur         | 2-bed Duplex, a/c                 | \$280 | (same)      |
| Koel Ct, Warner             | 2-bed Duplex, a/c                 | \$280 | (\$10 decr) |
| David St, Burpengary        | 3-bed townhouse, ensuite, SLUG    | \$310 | (new)       |
| Swann Rd, Bellmere          | Brand New 4-bed, ens, a/c, DLUG   | \$320 | (new)       |
| Seeney St, Caboolture       | 4-bed Duplex, ensuite, a/c, DLUG  | \$320 | (same)      |
| Marilyn Ct, Morayfield      | 4-bed house, ensuite, a/c, DLUG   | \$320 | (same)      |
| Apollo Cres, Beachmere      | 4-bed house, ensuite, a/c, DLUG   | \$330 | (\$20 decr) |
| Tylah St, Kallangur         | 3-bed Duplex, ensuite, a/c, DLUG  | \$335 | (\$10 incr) |
| Hedges Ave, Burpengary      | 4-bed house, ensuite, a/c, DLUG   | \$360 | (same)      |
| Brindabella Ct, North Lakes | 4-bed house, ensuite, a/c, DLUG   | \$370 | (same)      |
| Waratah St, Albany Creek    | 3-bed highset, large rumpus, DLUG | \$380 | (new)       |

## Calendar Dates for May



### Disbursements

Mid Month-  
Fri 15th May

End of Month-  
Fri 29th May

**Office Holidays**  
May 4th  
Labour Day (Qld)

## Valuations – an important message for our Landlords

As tax time approaches I am being inundated with calls from Valuers who are requesting to arrange valuations on behalf of our Landlords.



So that we may assist the Valuers more effectively, we have put in place a new office procedure and made Melissa Rudek (our Letting Officer) responsible for arranging the visits.

Melissa's contact details are:

Email: [admin@solutionsproperty.com.au](mailto:admin@solutionsproperty.com.au)  
Phone: (07) 3888 0098

We ask that you assist us by following these simple steps:

1. Please advise **Melissa** (preferably via email) so that she can expect to be contacted by the Valuer—otherwise we will be unable to assist the Valuer for privacy reasons.
2. Please then ask your Valuer to contact **Melissa** as she will be the one to organise the inspection with the tenant.

We appreciate your assistance and trust that this new procedure will enable a more efficient outcome for all.

Laura Valenti  
Managing Director  
Solutions Property Management