



NEGOTIATOR eNEWS

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“It is possible to store the mind with a million facts and still be entirely uneducated ” – Alec Bourne

Welcome to the August issue of Negotiator eNews – the free newsletter with Tips, Strategies, Articles and News related to Wealth Creation.

Interest Rate News

The Reserve Bank have again left interest rates on hold at their meeting this month so we can all enjoy historically low variable interest rates for the immediate future.

In a recent survey of 7,500 International business people from more than 24 countries, one in five chose Australia as the country they believed to be best, surviving the world wide economic down turn.

China came in second while India and Singapore shared third place.

Recently released GDP figures also show that Australia is in good economic shape doing a lot better than other countries.

It seems like interest rates are close, if not at the bottom of the cycle, while rental yields are at a healthy level - historically a good time to position yourself in the property investment market.

Feature Article

House And Land Packages

House and Land packages could be an affordable way for a potential buyer to get into the property market. There is a variety of suburbs across Western Australia but you may be limited in the areas you'd like to live or invest in.

A developer buys land in a variety of areas and they design homes to suit the land. The benefit of purchasing a house and land package is that you get to choose your own colour scheme, products and design. There's a choice of designs to choose from and the package usually includes floor coverings and window treatments throughout, front landscaping and reticulation, fencing, paving to driveway and gourmet kitchens.

As home ownership is becoming a harder goal to reach for many purchasers, house and land packages can be affordable to both the first home owner and the investor. Buying a house and land package also means stamp duty is applicable only on the value of the land and not on the house, thus saving

purchasers thousands of dollars in stamp duty. However, you have to pay the interest charges on the loan while you are building as well as meet your own rental costs while waiting for the build to be finished.

When looking for these packages, make sure you look in suburbs that have high growth potential and that the estate that the property is in, is well maintained for re-sale value in years to come. Buying off-the-plan can help maximise growth potential. Some builders have introduced housing energy efficient products. These generate long term cost savings to homeowners through reduced utility bills.

Ask The Negotiator

Email gregg@negotiator.com.au if you have any topics you would like to see covered in future newsletters.

Helpful Product/Tips

Where To Buy Or Invest

It's important to do your homework when you are choosing an area to buy or invest in. Do your homework thoroughly and compare similar houses and purchase prices that have recently sold in the area.

Also pay attention to:

- Population Growth in the area – strong population growth is a good indicator of future capital growth and demand from tenants. An interesting website to look at is the Australian Bureau of Statistics for the latest figures. Click on “Australia’s Population” on the left hand side column. www.abs.gov.au
- Selecting areas of demand, because without strong demand, capital growth can be limited.
- Existing or proposed amenities such as quality shops, good public transport, major roadways, excellent schools, parks, walking tracks and an appealing suburb in general will secure and improve the value of the property.
- Any changes such as new roads, rail links, rezoning of land or infill sewerage can have an impact on your capital growth.
- Adjoining property – check to see if your views would be built out or if there is an industry outlet nearby that could affect your purchase.

Joke Of The Month

A little boy wanted \$100 badly and prayed for two weeks but nothing happened. Then he decided to write a letter to the Lord requesting the \$100.

When the postal authorities received the letter addressed to the Lord, USA, they decided to send it to President Obama. The President was so impressed, touched, and amused that he instructed his secretary to send the little boy a \$5.00 bill, as this would appear to be a lot of money to a little boy.

The little boy was delighted with the \$5.00, and sat down to write a thank-you note to the Lord.

It said:

Dear Lord,

Thank you very much for sending me the money. However, I noticed that for some reason you had to send it through Washington, DC and as usual, those jerks deducted \$95.

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