



NEGOTIATOR eNEWS

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“They may forget what you said, but they will never forget how you made them feel” – Carl W. Buechner

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

Interest Rate News

Well, it has been good news again this month, with the Reserve Bank making another rate cut of 1%. This 1% cut is the lowest official interest rate since 1964. Again we need to wait to see if the banks pass on this full amount which many have already done so, and for those with a variable mortgage it will definitely help out. This is great news for borrowers and investors, wishing to take advantage of some bargain priced assets and opportunities in an otherwise uncertain market.

The lower interest rate also increases borrowing capacity, bringing homes in to the affordable buying range. It's not the best news though, for people who have savings in interest bearing accounts. They will be earning less interest on their savings, and with the sharemarket likely to be a bit soft in the year ahead, investors will be looking for higher yielding, safer, less risky investments. For many people property will fit that bill – look out for increasing investor demand later in the year.

Feature Article

Land Tax

You may have possible land tax obligations which you or your related entities may have. Land Tax is a State Tax and each State has their own rules and regulations. If you have properties in each of the different States you will need to meet their individual land tax obligations. So even if you have properties held by the same entity but in different States this entity will be required to lodge Land Tax Returns for each respective State. Each State has a different land threshold value before land tax is payable. Each State also has different rules regarding the land tax treatment for Trusts.

You may be required to lodge a land tax registration form, or a land tax variation form, if any of the following have taken place:

- You have bought an initial investment property

- You have bought additional investment properties
- You have sold one of your investment properties
- You have a holiday home or
- If your circumstances have changed, for example you have begun renting out your existing principal place of residency.

Land tax is not applied to your principal place of residence if you are living in the property. The due date for land tax varies from state to state, so you need to find out whether you are required to register for land tax or lodge a land tax variation form. Land tax is applied to the land component only of any property.

Land tax in Western Australia is assessed on the basis of the unimproved value of land holdings as at 30 June each year. The tax threshold for the 2008/2009 land tax year is \$300,000. The issuing of the 2008/09 land tax notices was delayed however due to a review of the land tax rates by the new government.

For more information on Land Tax in Western Australia, click the link below:

http://www.dtf.wa.gov.au/cms/osr_content.asp?ID=174

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

Building Wealth In The Current Market Climate

1. Buying real estate is a business decision – you never buy real estate with emotions. You need to buy at market price and if it's an investment property, it needs to have a good rental return.
2. Have concrete strategies – have a plan in how much you are willing to invest. Always position yourself for success over the long term.
3. Buy properties in premium locations, within a 10 kilometre radius of a capital city. Ask yourself what a tenant would be looking for. It must be close to all amenities.
4. It's not so much market timing – it's time in the property market. Have a 10 – 25 year plan to accumulate your wealth over a lifetime.
5. As a saying from one of my favourite childhood TV programs called 'Kung-Fu' – 'be patient grasshopper' – wait for the right property. If you like instant gratification to realise your profits this can be a psychological obstacle. You must practice delayed gratification and watch your wealth soar.

6. Research – always do your homework on the location, property and sales in the area.
7. Get the right team – work with people who are experts and will get you the results you want.

Joke Of The Month

FINANCIAL PLANNING: THE BASICS

Dan was a single guy living at home with his father and working in the family business.

When he found out he was going to inherit a fortune when his sickly father died, he decided he needed a wife with which to share his fortune.

One evening at an investment meeting he spotted the most beautiful woman he had ever seen.

Her natural beauty took his breath away "I may look like just an ordinary man," he said to her, but in just a few years, my father will die, and I'll inherit \$20 million."

Impressed, the woman obtained his business card and three days later, she became his stepmother.

So, are women better at financial planning than men?

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