



## NEGOTIATOR eNEWS

January 2009

[www.negotiator.com.au](http://www.negotiator.com.au)

**“If you do what you’ve always done, you’ll get what you’ve always gotten” – Anthony Robbins**

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

### Interest Rate News

Happy New Year to you all. With the farewell of an eventful 2008, we hope you had a safe and well rested holiday break and ready to venture the new and exciting opportunities and challenges that lie ahead in 2009!

The Reserve Bank of Australia do not meet in January, therefore the interest rates remain as they did in December 2008.

Towards the end of 2008, we all felt the swing within the economical cycle with the major shifts of the world markets, the demand of commodities spike and then drastically drop, and the RBA lowering interest rates by a shock 1 percentage point for the first time in 16 years.

However with the 'doom and gloom' that was present in the air, I believe that property is on the rise as the more dependable choice of investment and that there is no other perfect time to invest in property than now with the attractive interest rates and first home owner grants that investors can receive from the Government.

Over the next six months economists and experts predict a growing demand of new buyers and investors in the Australian property market with a complete return to further growth in late 2009.

### Feature Article

#### Property Buying Tips

As mentioned above, now is a great time to buy property but you really need to do a lot of homework on things like:

- the values of property in the area that you are looking in
- the growth rates that have occurred in the past
- the expected growth rates in the future
- the expected income from a property in the area

- the vacancy rate in the area

Check out the property after you have decided that it is a good buy from the numbers and information above. This allows the emotional pull of a property to be minimised.

Decide for yourself your own rules for investing such as:

- how many properties do you want to buy?
- what income do you want from the properties?
- what debt level do you feel comfortable with?
- what type of property do you require?

Buy from people who are motivated to sell because of their circumstances. This might include mortgagee sales, deceased estates, people moving interstate, divorcing couples, business bankruptcies etc.

Profit is made when you buy, not when you sell so it's a good idea to make realistic offers below the asking price. You will probably have knock backs before you have one accepted but don't take the knock backs personally as it is not you that is being rejected, just your offer.

Only use a small deposit, \$500 - \$2000 is fine. The balance of the deposit can be paid on settlement and not before. Some agents will try to force you to pay more but it makes no difference what the deposit is as the owner doesn't get the money until settlement. Furthermore, why should you lose interest on your money before it is necessary to do so.

Once you have bought the property:

- organise good quality insurance (including landlord insurance if it is an investment property)
- maintain the property in peak condition as this will increase the value over time and encourage the tenants to also look after the property.
- employ a property manager to manage the property. Meet them so you feel comfortable that they will look after your property in the manner that you expect and enforce the tenants to do so as well.

Talk to other investors who will share their rules and strategies. Ask lots of questions.

Study the market by:

- reading the local newspapers in the area that you think will be worthwhile investing in.
- reading the real estate magazines.
- reading books and magazines on property investment.
- attending auctions to see what properties sell for or pass in at.
- going to home opens to compare properties.
- mixing with other like minded people.

If buying property built after 1985, there may be extra 'special' deductions.

Use a checklist of the features in a property that are important to you. This will help keep you focussed on the important issues and help eliminate any emotional issues.

### **Ask The Negotiator**

Email [gregg@negotiator.com.au](mailto:gregg@negotiator.com.au) if you have any topics you would like to see covered in future newsletters.

### **Helpful Product/Tips**

#### **Question - As The Stock Market Has Crashed, Do Shares Offer Great Value Now?**

In reality, shares are now up to 50% cheaper than they were 12 months ago but as a qualified Financial Planner, Finance Broker and active investor, you all know that my personal view is always going to be biased towards property. I have never seen a property expire worthless but I've seen companies delisted off the share market and worth nothing. I've also seen shares frozen for 2 months while companies amalgamate with other companies and your money is stuck there and you can't get access to it. By all means, you can invest in some shares but I keep the majority of my money in real estate.

#### **Question - When Is The Right Time To Buy?**

You may be thinking when is the right time to buy and get into the property market. There really is no right time because the property market is cyclical and there will always be opportunities missed and gained. Now, however is an especially good time to buy. If you have asked yourself – how much deposit do I need, what home loan would suit me, should I fix or not, am I eligible for any incentive schemes or what kind of documentation will I require? – then the answers to all these questions can be quickly and easily answered by contacting me on 0411 233 293.

### **Joke Of The Month**

#### **You're Fired!**

The boss called one of his employees into his office and screamed at him, "You're fired!"

Looking puzzled, the employee said, "But, why sir? I work eight hours and sleep eight hours, just like everyone else."

"Unfortunately," the boss bellowed, "in your case, it's the same eight hours!"

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