

PRESTIGE LOANS  
& WEALTH  
CREATION  
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# PRESTIGE LOANS

## Financial Solutions

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### SPECIAL POINTS OF INTEREST:

- Perth Mansion sells for \$57.5 Million in December 2009. Mining heiress Angela Bennett has sold her Perth waterfront mansion for an Australian record price. Original asking price was \$70 Million, but as the property had been on the mark since 2007 she felt the need to drop her price. Incredible !!

- From April 2010 all Mortgage Originators will need to apply for an Australian Credit License. This is a good thing for the industry which will see further tightening of regulations, with greater penalties and further training to enhance the Mortgage Origination industry and remain professional.

- Apologies for the delay with our 2010 Calendar. Time has just flown by. We hope that this years format proves to be handy.

- **PRESTIGE LOANS & WEALTH CREATION** hope that you all had a Safe Christmas and wish you all the best for a prosperous and successful 2010.



## 2009....What a Year !!!

Rates dropped heavily in 2009 which was fantastic news for anyone repaying a Home Loan provided that your Interest Rate was not fixed, and you still had employment. The Reserve Bank moved to prevent a slow down in the economy which was also heavily supported by the Stimulus Package. Commentators believed, that while it was great news for borrowers in the short term, the Reserve Bank put the throttle down a little hard. You may recall that the full rate reductions passed on by the Reserve Bank was not reflected in your Home Loan Rate. The Global Financial Crisis has increased the funding costs for the Banks funds, and this has reflected in less than favourable reductions in mortgage rates.

We have experienced 3 consecutive rate increases in the last 3 months of 2009, demonstrating that maybe the RBA may have moved down too quickly earlier in the year. Once again we see the Banks passing the rate increase in a different way....this time it has increased faster than the Reserve Bank Rate increase, once again due to the cost of wholesale funds. Westpac tried to explain this in their "gone Bananas" email. While Westpac had the right idea, it was put in a format more suitable for someone around the age of 13.....and they don't even have mortgages !!

Some analysts see further rate rises throughout 2010, with a Reserve Bank Cash Rate close to 5% by late 2010 (currently 3.75% as at the start of 2010). The overall forecast however is that rates will remain around this rate for the foreseeable future.

The economy is showing growth, with Western Australia leading the way through our resources sector. This in turn will keep Western Australia growing faster than the rest of Australia for the next couple of years. WA is the Place to Be.

## Would you like a FREE Financial Plan ??

Christmas is over, and a new year resolution may have been to get your finances into order ??

Well **PRESTIGE LOANS & WEALTH CREATION** is giving away a free financial plan to the Value of \$1650. The financial plan is a document that helps you take control of your financial future. A financial plan will be prepared in accordance with your requirements. It will set out your current financial situation and your financial goals, taking into account your priorities and attitude to risk. It will then cover investment, wealth preservation and protection strategies that can assist you to meet your goals. It may also include estate planning strategies.

Its an extremely valuable tool for you to succeed in your financial goals.

Entry is Simple.....All you need to do is send an email to [wealthcreation@prestigeloans.com.au](mailto:wealthcreation@prestigeloans.com.au) with your name, address and contact details and you will be automatically entered into the draw. It is open to anyone over the age of 18 years. Entries close 28th February 2010 and will be drawn on 1st March 2010. **Don't Miss This One.....Good Luck !!!**



# What keeps you awake at night ???

**I worry about what would happen to my mortgage if I lost my job.**

As always, when it comes to your finances, it is better to be prepared and understand your options in the event of the unexpected. Are you aware that some of the major lenders have a moratorium policy that allows you to place payments on hold in times of hardship ? These can range from 2-13 months depending on the Lender, but of course there are conditions for this to be considered.

If you have a redraw facility on your loan you can start by paying more towards your mortgage now so that you can redraw in times of hardship to make loan repayments. Alternatively you can accumulate these savings in an offset account as a buffer in the event that you become unemployed. It would be great to build a buffer of say 3 months repayments as this should give you enough time to find alternative work.

If you find yourself in the ranks of the unemployed and you are in any way concerned about what to expect from your Lender, please call us to find out more.

**Juggling credit card debts and personal loans keep me awake !**

This is a common concern with most clients today. If you are juggling credit card debt and personal loans, you need to contact us immediately ! We can investigate the option of consolidating your current debts, and in most cases we will be able to help you reduce your payments. With some credit cards now attracting rates of over 20%, it is time to pick up the phone and start saving.

**Call Brett Christie Dip FS(FP) today on 0417 977 971**

## PRESTIGE Preferred Partners

Highly recommended by **PRESTIGE LOANS & WEALTH CREATION**, our partners can make the buying, selling and maintaining of your home.....super easy.



Phillipa and Stephen from Inncity settlements provide an outstanding conveyancing service.

**PRESTIGE LOANS & WEALTH CREATION** has had the pleasure of dealing with Inncity settlement for many years, and can thoroughly recommend them for the ultimate in property settlement services.

Please contact them today on 9371 2500.

PRESTIGE LOANS & WEALTH CREATION receives NO commission or referral fees from any of our **PRESTIGE Preferred Partners**. We provide their details as they have proven experts in their field and are extremely reliable people to work with.

## Challenge

**Pest & Weed Control & Hygiene Services**  
Public Health Department License No. 401

The Family home is the single most significant investment many people make, so it makes sense to spend some time choosing the correct pest control operator when your home becomes infested with pests. So for complete piece of mind for your next property purchase or to have your current home or investment property inspected and treated, you can count on Challenge Pest Control. Call Gary 9471 7806 or 0422 926291



BHS has 17 years in the Inspection Industry in WA with all our inspectors being either Registered Builders, Building Assessors or Engineers. **PRESTIGE LOANS & WEALTH CREATION** has been fortunate to have dealings with Peter and his Team at BHS and we can recommend their service with confidence. Please call Peter and his Team on 9331 3031.



## What are the best options to make sure my family is financially secure ?

Given the recent global financial crisis, this is an important question for many. Property is seen as a proven medium to long-term investment and most economists and property analysts are suggesting that now is a terrific time to consider venturing into the property market. Interest rates are still low and property prices are reasonably stable (although in some areas property prices are predicted to rise) suggesting now is the perfect time to invest.

It is also a good time to review your superannuation. Check out one of the online superannuation calculators to work out your potential retirement income ([www.fido.asic.gov.au](http://www.fido.asic.gov.au) is one you could try). These calculators are designed to help you estimate the amount of superannuation you will receive at retirement based on your current age and contributions, any government co-contributions you may be eligible for and even the effect of swapping funds. You may be in for a not-so-nice surprise. These calculators can be quite comprehensive, however they should be used as a guide only as there is no substitute for solid personalised financial advice.

What about your insurances ? Have you reviewed your policies recently ? Do you know exactly what you are insured for ? There are a range of insurance products on the market designed especially to give you piece of mind and provide your family with financial security and stability in the event that you cannot provide for them. Some of the insurances worth looking into are mortgage protection, income protection, life insurance, trauma and TPD (Total and Permanent Disability Cover)



**Do you have financial concerns that keep you awake at night ?**

Please call the office to see how we can help !

## If you Fail to Plan, you Plan to Fail

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# More signs that we are on the road to a recovery ???

Demand for new workers rose sharply in November in a vote of confidence in the economic recovery from the business community. While this won't stop the jobless rate rising further in the near term, the recent strength of job advertising does suggest the peak will probably be shy of the 6.75 per cent predicted by the government, economists say. However, the construction sector, a major employer, remains fragile and won't be helped by recent interest rate rises. The ANZ job advertisement series - a key pointer to future employment growth - rose 5.2 per cent in November compared to the previous month, and now stands 12.3 per cent higher than the low recorded in July.

ANZ acting chief economist Warren Hogan said the improvement in job advertising would eventually translate into higher employment growth. "The recent strength in job advertising is consistent with the positive trends seen in many other indicators across the Australian economy," Mr. Hogan said releasing the report on Monday. "Taken together, these... imply that Australia's recovery from the recent downturn is gathering pace."

Newspaper job ads surged 8.3 per cent in November while internet job ads were up five per cent. The jobless rate has been ranging between 5.5 per cent and 5.8 per cent since March of this year.

Still, National Australia Bank senior economist David de Garis said the jobs ads data was consistent with the economic growth momentum that had been seen during the September quarter carrying over to the final three months of this year. "With employers looking to increase payroll numbers, that's a big vote of confidence in the outlook for business into the first half of next year," Mr. de Garis said.

However, other data released in December showed the construction industry remains fragile, highlighted by a drop in new orders and a fall in employment.

The Australian Industry Group (Ai Group)-Housing Industry Association (HIA) performance of construction index was down 3.3 points at 47.6 in November. This was below the critical 50 point level that separates expansion from contraction, although well above the lows seen earlier this year. "The second straight month of falling new orders across the construction industry suggest the current soft market conditions are likely to persist, at least into the early part of next year," Ai Group director of public policy Peter Burn said releasing the data. While he was encouraged that the housing sector had continued to grow, the rate of improvement appeared to have slowed over the past two months due to a weakening in first home buyer activity. "Recent interest rate rises are likely to further dampen growth over coming months," he said.

HIA senior economist Ben Phillips said the new homes and apartments market was simply "treading water" while Australia's population was growing at record levels. "A much needed new homes recovery is being muted by higher interest rates and the removal of the first home buyers grant boost," he said.

## Principal Partner Equestrian Western Australia



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