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Why not join forces to buy your home?



With rising interest rates and skyrocketing property prices pushing affordability to unmanageable heights for many aspiring home buyers, buying a property may seem like a distant pipedream.

If the prospect of owning a home seems to be slipping from your grasp, take heart: co-owning a property with a family member or close friend might be something for you to consider.

Whether you're a first home buyer or seasoned investor, co-ownership has become a sound option for two or more

unmarried people looking for a step-up onto the property ladder.

It's a great way to not only split your mortgage costs but also share in the different responsibilities and expenses of purchasing a property.

Co-ownership might be the way for you to gain a foothold in the property market

Whilst the idea of co-owning a property might appeal to some cash strapped buyers, there are a number of legal factors to consider before you sign on the dotted line.

Most legal experts advise co-buyers to sign a 'co-ownership agreement' or a legal document that outlines the rights and obligations of each person with a stake in the property.

To make sure you're covered for any legal hiccups pertaining to your claim on the property, the agreement rubber-stamps each buyer's responsibility for the purchase, including rules on splitting mortgage repayments, dividing operating expenses and the conditions of sale should one party wish to sell out.

Another factor to consider is the amount of money your lender is willing to fork out for your purchase.

Tougher rules may apply to tenants-in-common purchases, so remember to read the fine print, and consult your mortgage broker about your financing options!

Lastly, tenants-in-common are often required to be co-borrowers or guarantors for each other's loans, meaning both parties will be liable for repaying each other's loan in the case of default.

Although each party's liability is limited to the value of the property, lenders may charge penalty interest payments on the loan if repayments are not met, resulting in a possible forced sale of your property.

Ensuring your agreement is well planned out is essential to making co-ownership fool-proof for you and your co-buyer, so make sure you seek professional legal advice and talk to your mortgage broker to get the full picture.

(Source: Plan newsletter).

Read this if you are thinking of buying a holiday home!

If you're on the lookout for holiday accommodation, complete with the comforts of your own home, then buying a holiday property may not only be a good investment, it's also a great way to boost your lifestyle.

But before you begin your holiday home hunt, stop and consider whether returning to the same place for holidays year in, year out, is for you. If it is, then a sea or tree change investment property might be your ticket to paradise.

One of the most important issues to consider when choosing your property's location is its distance from your own home.

If you have a young family, for example, it's probably easier to buy in an area that is within driving distance of your home: ideal for short weekend escapes from the city.

For a young professional couple, or empty nesters with time and money, an interstate holiday hideaway may be more manageable.

If you're keen to explore the option of a holiday home, you should consider getting financial/tax advice. Talk to your broker for recommendations. Here are some other key considerations:

The Pros

- Earn rental income by leasing out your property.
- Claim tax deductions for the periods when you rent out your holiday home.
- Purchasing the property can be a long term investment to set you up comfortably for your retirement.

The Cons

- Rental returns may fluctuate in line with the holiday season.
- Regional properties may take longer to sell than their city counterparts.
- The cost of property management and maintenance may be high.

Buying a holiday home can be rewarding financially as well as positively impacting on your lifestyle.

Speak to your broker to discuss which funding options best suit your needs and aspirations.

(Source: Plan newsletter).



Keep your garden looking good the eco-friendly way

With water becoming an increasingly precious resource, there's never been a better time to be water wise - especially in the garden. Keep your garden in top form this year with these eco-friendly tips.

Think outside the square: decorate your garden with pavers, pebbles and urns in place of a water feature or plants.

Know your soil: Soil moisture probes can tell you whether your garden needs water: grab one for around \$10 at your local hardware store.

Be water smart: getting water straight to your plants' roots is important and easy with a home irrigation system. These affordable drip systems are easy to install and deliver water directly to where it's needed most, at the right absorption rate.

Keep the moisture in: Covering your garden with mulch prevents evaporation and keeps your soil damp for longer.

Shade your garden: Vines such as bougainvilleas and wisterias are great heat survivors while helping to shade your garden and reducing the drying impact of the sun.

Get with the times: think about improving your garden's long term sustainability: look at landscaping ideas that are appropriate for the climate to create a healthy, water-wise landscape.

Investigate native plants: There are many native plants ideal for home gardens that are not only hardier and more drought tolerant but have the added benefit of requiring much less water and maintenance. Furthermore many of them attract native birdlife far better than anything else.

There's more than 2,000 varieties of native plants available through specialist native plant nurseries to suit virtually all types of gardens and situations. They include climbers, shrubs, ground covers, plants for hedges and bushy feature plants.

(Source: partly based on an article in Plan newsletter)

Tips to make the most of your holiday home

1. Choose the right location
2. Two and three bedroom properties are better for families and groups of friends
3. Keep the property well maintained to increase its rental as well as sales value
4. Look at hiring a letting agent if you're opting to lease your property
5. Fully insure your home

What can we expect in 2008?



2007 was a milestone year for vehicle sales in Australia. Sales broke through the one million barrier with a record 1,049,982 cars, trucks and buses bought during the 12 month period.

The year ended on a high note, according to the Australian Bureau of Statistics. Sales in December increased by 8.3% compared to December 2006. It was

the 15th consecutive month of sales increases.

Given the past what can we expect of vehicles sales in 2008? The Federal Chamber of Automotive Industries (FCAI) believes that the Australian motor vehicle market will remain strong in coming months and is forecasting a total of 1,000,000 vehicle sales in 2008.

"Last year the motor vehicle market grew at approximately twice the rate of the economy as a whole," said Andrew McKellar, FCAI's Chief Executive.

"Although economic fundamentals remain strong and consumer confidence is proving to be robust, we think future growth will be more closely aligned with trends in overall domestic demand.

"The 2007 figures show it would be far too simplistic to conclude, as some have, that there is a general move by Australian consumers to smaller cars," said McKellar.

"While sales of smaller cars have been growing strongly, in 2007 sales of SUVs and 4x4 Pick-ups grew even faster."

In an article in the magazine *Esanda Acceleration*, the authors, Amber Rabinov and Mark Rodrigues, said strong growth in household incomes on the back of solid gains in employment, wages and wealth would continue to be the key drivers of passenger car and SUV sales growth into 2008.

The authors believed that demand across the States would be more even, with the mining-heavy states cooling from their rapid pace of growth and the other states and territories lifting their performance. Commercial sales were expected to ease.

► *Vehicle finance*

Getting it wrong could cost you

If you are planning to buy a vehicle it is critical that you choose the type of financing package that will best benefit you. If you don't it could have unfavourable tax or other implications.

Brokers who specialise in home mortgages may tell you that the quickest and least costly way of financing the equipment you need is to add it to your home mortgage.

This is not necessarily so. Also, in most cases it is not necessary to secure your car loan against your mortgage.

In the end, it takes a broker who specialises in equipment finance to help you make the right choice. For example, do you know the difference between hire purchase, a chattel mortgage, a novated lease and a trade lease?

We don't expect you to. But making the wrong choice, because a lender failed to take the time to look into your particular needs, could cost you.

We will be only too pleased to discuss your requirement with you at your convenience, whether you're looking for a car loan or wanting to finance some other piece of equipment for your business.

All Finance Services in demand Perth-wide

Having been based in the Joondalup area for seven years, All Finance Services is deeply involved in the local community.

Through its membership of the Wanneroo and Joondalup Business Association, it is also an active member of the business community which serves the growing needs of this booming area of Perth.

However, while most of our business is conducted in the Northern Suburbs, our services are now in strong demand throughout the metro area including areas as far flung as Rockingham.

Says All Finance Services Director, Pam Sullivan, "We have representatives covering all areas.

"They are there to meet with you in your own home at a time convenient to you."

In support of the community in the Joondalup area, All Finance Services is a sponsor of the Joondalup Kinross Cricket Club and a contributor to the Prindiville Catholic College's Art Centre in Ocean Reef.

Pam's Choice Rocky Road

You need:

- 3 blocks (250g) milk chocolate (at least two Cadbury blocks plus one other if preferred)
- 1 packet Pascall marshmallows
- 3 or 4 turkish delight bars or natural confectionary snakes
- Unsalted peanuts

Method

- Chop up nuts, marshmallow and turkish delight into small pieces.
- Melt chocolate slowly in a small bowl over a saucepan.
- Place chopped up pieces into baking dish, pour over chocolate.
- Refrigerate
- Cut into pieces before fully set (approx 30-45 minutes)

Enjoy!



► Reverse mortgages



Make sure to talk to an accredited Sequel broker

As shown in a recent survey, some retirees take out reverse mortgage loans without fully understanding the possible consequences.

It was to address this problem that a number of top lending institutions in Australia voluntarily formed the Senior Australians Equity Release Association of Lenders SEQUEL.

This is a nonprofit association supported by the majority of Australia's lenders of reverse mortgage and equity release products. Sequel's aim is to provide consumers with safeguards and uniform standards.

If you are thinking of applying for a reverse mortgage it is in your own interests to ensure you discuss the matter with a broker who is a member of SEQUEL. For extra protection make sure your mortgage broker/consultant is also a member of the MFAA.



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