



**GREENSPAN**  
HOME LOANS

*When you're ready*

SEPTEMBER/OCTOBER 2009 | NEWSLETTER

With the start of spring it's not just our gardens that are bursting into life, but the economy too is showing signs of renewal. Australia leads a handful of countries pulling their way out of recession, a topic we look at on page 3 – 'Confidence is Back'.

Spring is also a good time to start afresh with your savings – especially with the news that interest rates may rise over the coming year. 'Rainy Day Savings' on page 2 tells you where to start.

On page 4 we look at the value of good service and how memorable it is when you get it.

Enjoy this newsletter and feel free to pass it on to family and friends.



FIRST HOME BUYERS  
DEADLINE



RAINY DAY  
SAVINGS



CONFIDENCE  
IS BACK



SERVICE COUNTS

# ▶ First Home Buyers Deadline

**No one likes to miss a bargain so be quick to take advantage of the First Home Buyers Boost before time runs out.**

The first of next month (1 October 2009) will see a significant reduction in the boost, down from \$21,000 to \$14,000 for the purchase of a new home and down from \$14,000 to \$10,500 for the purchase of an existing home. From January 1, 2010, the Home Owners Boost will no longer be available but the \$7,000 First Home Owner Grant will continue.

Combine the grant with the added incentive of low mortgage rates and you can easily see why so many first home owners who once thought they could never get a foothold in the market, have realised their dream of owning a home.

The percentage of first home buyers has risen to the highest level on record, with the Australian Bureau of Statistics reporting they now make up 28 per cent of all homes financed.

For first timers on the hunt for a bargain, it is affordable property that is snapped up, especially homes conveniently located to transport, schools and shops. Not going beyond your means is one of the oldest and most effective property buying rules – buy the best house you can afford today and it will be easier to pay it off in the future as your income increases and interest rates rise.

Contact us if you are uncertain about what you can afford – we'll do the sums for you as well as help with your First Home Buyer Grant application.



We are members of the Mortgage & Finance Association of Australia (MFAA), the peak industry body. All members are bound by a strict code of ethics to ensure the highest levels of service, integrity and professionalism.



# Rainy Day Savings

**Under your bed, in a bank account or on your home loan, it's always handy to have a stash of cash for that rainy day.**

A cash buffer gives you the security of having money on hand if your personal finances take a turn for the worse. A hike in interest rates, job change, car troubles or even health issues can leave you strapped for funds if you don't have savings to fall back on.

**Where to start?**

If your money just seems to disappear and you're not quite sure where it goes, start by keeping a record of how much you spend. Get yourself a notebook and every time you spend money, write it down – keep this up for at least a month or even longer until a clear pattern emerges.

Look through your spending record and decide what you're willing to

cut-back or whether there is a cheaper alternative. Don't just focus on the big ticket items; sacrificing a small expense like a takeaway coffee or sandwich per week could save you up to \$2,000 a year. Remember, every dollar you put away brings you a step closer to feeling more financially secure.

**Where to put it?**

If you have a loan with a redraw facility, putting extra money on your home loan is an effective buffer as you reduce the size of your loan now (and the interest charged over the length of the loan) but you can still redraw the excess payments if you need the cash.

A similar option is an offset, which works like a savings account connected to your home loan, where you deposit money into it and use it to pay off your bills and daily expenses.

With either option, adding the extra cash to your home loan allows,

where possible, you to earn interest tax-free – as your savings reduce the interest payable on your loan.

**Cash savings**

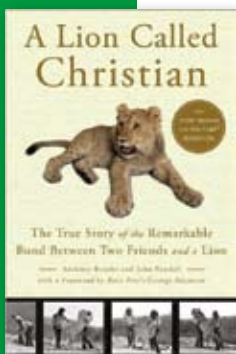
If you want to build up cash savings, the simplest option is a high-yield savings account or term deposit. Locking your money away in a term-deposit will earn a higher interest rate than is offered with most saving accounts.

**Share investments**

With as little as \$1,000 in your pocket you could get involved in a managed fund – allowing you to access certain investments at a fraction of the usual cost. While investing in a range of shares often involves large sums of money, managed funds allow you to share these costs with other members of the fund rather than having to pay the minimum investment fee on your own.

## A Lion Called Christian: The True Story of the Remarkable Bond between Two Friends and a Lion

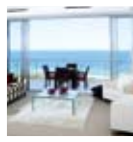
Book Review



In 2008 an extraordinary two-minute film clip appeared on YouTube and immediately became an international phenomenon. It captures the moving reunion of two young men and their pet lion Christian, after they had left him in Africa to introduce him into his rightful home in the wild.

A Lion Called Christian tells the remarkable story of how Anthony "Ace" Bourke and John Rendall, visitors to London from Australia in 1969, bought the boisterous lion cub in the pet department of Harrods. For several months, the three of them shared a flat above a furniture shop in London but the lion cub was growing up and soon his exercise yard wasn't large enough for him. A coincidental meeting led to Christian being flown to Kenya and placed under the expert care of "the father of lions". Incredibly, when Ace and John returned to Kenya to see Christian a year later, they received a loving welcome from their lion, who was by then fully integrated into Africa and a life with other lions.

Originally published in 1971, and now fully revised and updated with more than 50 photographs of Christian from cuddly cub in London to magnificent lion in Africa, A Lion Called Christian is a touching and uplifting true story of an indelible human-animal bond.



# Did you know?

As average fixed home loan rates edge upward, don't leave it too late to decide whether to fix or not to fix.

The upward movement of fixed rates is due to an increasingly confident bond market (through which fixed rates are determined) that expects the economic crisis to abate. Variable rates by contrast are mostly priced off the official cash rate set by the RBA.

Whether you choose fixed or variable largely depends on your finances and personal preference. As your mortgage broker we would be happy to talk you through the pros and cons of either option.



## Confidence is Back

**Australia's economic health has been given the all-clear with news that we've missed a recession, housing prices are on the up, the Aussie dollar is gaining strength and consumer confidence is edging upward.**

The Reserve Bank of Australia (RBA) has upgraded its economic forecast and now expects stronger growth this year and next, making Australia the only OECD country to grow in 2009. All this spells good news for the housing market, where prices across all capital cities have been steadily rising.

According to Australian Bureau of Statistics June quarter data, Melbourne staged the strongest gain at 5.2%, followed by Sydney at 4.9%, Brisbane 2.5%, Canberra 3.6%, Darwin 2.4% and Perth 2.7%, despite two years of tumbling values.

It follows four straight quarters of decline and is the strongest quarterly growth in both house prices and units since the global financial crisis took hold.

In the face of all this good news comes a warning that there are still risks that may derail the recovery such as a collapse in China's pick up, another global financial shock and artificially high housing prices. The RBA has hinted it may be forced to raise interest rates within the next year while unemployment is still rising and banks have warned that they may have to raise mortgage rates due to higher funding costs. Financial markets are now tipping that the official cash rate will rise from 3% to 3.75% over the next 12 months.

### **Room for Investment**

Buying prestigious property was once out of the reach of many,

but now falling prices have given buyers a rare chance to get in at the top end of the market.

A lack of active buyers combined with a higher than normal number of houses on the market, has led to a reduction in the asking price of many high-end homes.

According to Ray White's deputy chairman, Sam White, "Buyers are recognising that there is a rare chance now to get into the top end of the market and save between 10 to 15 per cent and achieve benefits in the long term."

If you are looking to grab a slice of the top-end of the market, analysts advise you get in quick. In its June report, the PR Data Rismark Index showed the median values for the top 20 most expensive suburbs in Australia jumped by 5.7% since their lowest point.

# Service ➤ Counts



**Service and reliability are never words you are likely to find associated with a bank, but to a mortgage broker these are the attributes that make us tick and are an essential part of the way we do business.**

We're not just talking here about 'service with a smile', but the kind of good old-fashioned service that you might have forgotten even existed – the kind that makes you feel like a valued customer, not just a number at the end of a queue.

It's this 'heartfelt' service that you don't see much of anymore in the shops, organisations and institutions we interact with on a daily basis – where the drive for profit and efficiency has taken over the 'human touch'. You could probably count on two hands the few times you've ever been given the chance to sit down face-to-face with a 'real' person or been at the receiving end of anything that resembled reliable, trustworthy advice.

As your mortgage broker we offer the kind of exceptional service that large institutions can't replicate. Our focus is on providing the kind of personalised attention and tailor-made solutions many banks have long ceased to offer. We don't want customers to have to wait-in-line or talk to an automated machine when they can deal directly with a decision-maker from start to finish.

Every step of the way, whether buying or refinancing, we'll talk to you in plain English, we'll make clear how it benefits you, and we'll help you with the paperwork. We are a single point of contact for your borrowing needs so there's no dealing with different staff every time you have an enquiry. Our attitude is that we're here to help, so that means you can feel comfortable dropping in or picking up the phone to ask even the simplest of questions.

Values of integrity, honesty and pride in a job-well-done may seem old-fashioned but they make for a great business experience, the kind you won't easily forget!

## It makes sense to call us

With all the uncertainty of interest rate rises and most of us questioning whether we get a good deal, it is more important now more than ever to review your current loan arrangements. With so many special available and banks tightening their lending policy it is worthwhile speaking with us first.

**Call us NOW for details.**

**Don't forget if you refer a friend to Greenspan we will contribute \$250 towards your home loan and \$100 towards the cost of theirs.**

DISCLAIMER: This newsletter is intended to provide general news and information only. Readers should rely on their own enquiries before making any decisions touching their own interests. Please do not rely on any part of this newsletter as a substitute for specific legal or financial advice.



*When you're ready*

*With compliments*

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