



Empower WEALTH Advisory

THE ADVISORY—PROPERTY INVESTING

Investing

Property—Everyone's an Expert

You have just been off to see your GP who diagnosed a problem, so you've being referred to a specialist who's going to help you. You agree without any hesitation as you want to get back to full health.

You tell a few people about your situation and they provide support and the odd person some advice, but you know inside you are going to listen to your medical specialist because they practice in this field everyday and have far more experience about this subject than you or your friends do.

Furthermore their core objective is to make you better. They can never guarantee this, but they are working for you to make this happen, and you are going to pay a professional fee for this - right?

(You're thinking about now—where is he going with this.....)

Now consider this....You have just been off to see your wealth advisor and they diagnose your financial health and it's not good either.

You haven't built up enough wealth to retire on and you don't want to settle for a poorer quality

of life and standard of living in retirement. They recommend you go and see a specialist prop-



erty advisor to improve your wealth.

You tell a few people that you are thinking about buying an investment property.....then all of a sudden, you are getting advice on what to buy, where to buy, who to buy from, how much you should spend, that new is better than old, that you should buy for capital growth or high rental yields, don't buy now, buy now etc.

It's clear that even though people may have bought one or two properties in their time, they are suddenly experts in the field, and they all have an opinion.....

The challenge for you is that

given property is such a big investment—your whole financial future could depend on getting it right—so the advice better be good.

Instead of listening to 'so called' experts, you should adopt your specialist medical approach and use a professionally qualified 'independent' specialist who spends their entire working life sourcing quality investments for clients just like you. It makes sense doesn't it?

How could anyone think they will get a better result if they tried to do it themselves instead of allowing a specialist advisor or a team of specialist advisors who do this day in and out and have decades of experience.

Sure, it's not your physical health at risk, but what type of existence would you have if you don't have enough money? Get Help!

*Ben Kingsley
Founder Empower Wealth
Qualified Property Investment
Advisor*

ANZ Release Property Outlook Update

ANZ have issued their latest Property Outlook economic report on each capital city.

It makes for very interesting reading for those interested in macro market data and could give some property investors an insight into which capital city market they may consider making their next purchase.

Having a diversified portfolio or

residential properties across state borders makes for sensible investing on a couple of fronts.

- Land Tax Issues - As you build a portfolio of properties, you will eventually reach the land tax thresholds, which is a state based tax, so having properties in different states will reduce potential aggregated land tax taxes

- By researching and buying in different markets, you increase the likelihood of purchasing in a growing market, as opposed to a flat or declining market.

You can download the latest ANZ Property Outlook Report from our website:

www.empowerwealth.com.au and head to our research tab

March 2011

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Market Measures:

Capital City Rental Yields

Sydney

Units: 5.0%

Houses: 4.3%

Melbourne

Units: 4.1%

Houses: 3.4%

Brisbane

Units: 5.3%

Houses: 4.3%

Canberra

Units: 5.3%

Houses: 4.7%

Perth

Units: 4.3%

Houses: 4.0%

Adelaide

Units: 4.7%

Houses: 4.0%

Hobart*

Units: 5.2%

Houses: 5.2%

Darwin

Units: 5.7%

Houses: 5.3%

Source: RP Data-Rismark Hedonic Home Value Index As at December 2010 (*November 2010)

So when is the best time to buy?

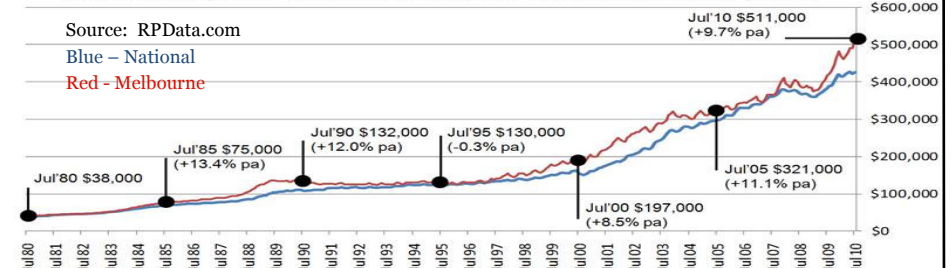
It's a well-accepted theory that buyers shop in spring right through to Easter – and then the cooler months in Melbourne take hold and buyers slow down – but is this *really* what happens?

The correct answer is that the season is only one tiny factor in what dictates buyer and vendor behaviour. Economic outlook, suburb, location, government grants, government change/elections, sporting seasons and holiday periods all play a part in determining market sentiment. Sometimes the *perceived* sentiment is quite different to reality too – so this article aims to dispel the myths and give readers insight into what *really* constitutes a good time to buy. Unlike the market many buyers have faced over the last seven years, the general state of the Melbourne market is arguably quite stable. Over the last three years we've witnessed generous state and federal first home owner grants, experienced the GFC (and the tightening on lending policy that accompanied the ripple effect of the GFC), we've ridden the lows of interest rates and we have all seen Melbourne's record breaking growth for 2009/2010. But for some, the strong growth during 09/10 was not a welcome period. Buyers were bidding strongly against each other, first home buyers were determined to buy before the deadline, and properties seemed to be snapped up before they even got one week on the market. Was there any wonder why buyers dreaded buying?

If we fast forward to today – we have relatively stable interest rates; and based on

historical levels, today's interest rates are not considered high – they are actually close to average. We have a property market now that, in comparison to a year ago, is presenting opportunities for buyers all around Melbourne. There are considerably less buyers; hence less competition. To compound this – we have rising rents, a much publicised housing shortage and a steady flow of migrants into the country. What's more – we have low unemployment, strong incomes and a slightly more relaxed lending environment when it comes to

Median house prices, 1980 to 2010, National v Melbourne
With median prices and annualised gains across each 5 year period



maximum LVRs.

If it hasn't become apparent yet –**now** is the best time to buy. Take advantage of low buyer competition, good stock levels, lower auction clearance rates and a steadily increasing prospective tenant outlook. Don't make the mistake of waiting until the market picks up speed again to make your move. When it comes to securing quality property, the time is now – 2011.

As I say to anyone who is carefully considering property ownership (whether it be owner occupied or investment property), if you are truly concerned about property

values holding in the short term, you should consider these two points: Look at Melbourne's historical capital growth trend for the past 30 years. Any property purchase should be made with 'buy and hold' firmly in mind given that the medium to long term trend is very positive. If you are concerned about micro/short term capital growth contraction, remember that the value of the property at any stage is **on paper only** while you hold that property. The price you have paid for the property has taken into ac-

count your affordability, loan repayments and rental vacancy rates (for investment properties). And for buyers who have concerns about exposure to interest rate movements I always advise them to talk to their broker about fixing their loan(s).

Introducing: Cate Bakos, Empower Wealth's new Property Advisor.

If your looking to buy Cate has over 18 properties, so she knows what type of property makes great investments and her advisory service is second to none.



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"I wish I had a dollar for every time I hear "Looking back I should have started earlier, I'd be even wealthier - I wouldn't need to invest in property myself"

Cameron Morgan
Empower Wealth

Take Charge of Your Super & Retirement

Self Managed Super Fund Seminar

Tues. April 5th: 6–8.30pm

Take Control of your Future Wealth

Buy Property In Super

Must Attend Event if Serious About A Better Retirement Outcome!!

BOOK NOW

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