

supply and demand in your favour in autumn?



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Traditionally, vendors consider Spring to be the best time to sell, which is largely based on what the garden is doing and the hope for good weather. Of greater importance is the ratio of buyers to sellers in the market.

A flowering Spring garden may accentuate your property's appeal, but as the large majority of vendors are selling during this period, and the fact

that buyers search the market year round until they buy, there is a better buyer to seller ratio operating in Autumn. Also, with fewer properties on the market in Autumn than in Spring, there is naturally less competition for properties for sale.

Thus you will have greater marketing appeal to potential buyers. Buyers are also more likely to commit to a sale and you are more likely to realise your desired sale price, when buyers know their current choices are limited.



Autumn – same amount of buyers less properties to choose.

reverse mortgages – cash flow for asset rich, cash poor retirees



Typical of baby boomers and the previous generation, they have lived well, built up a good asset base but may not have allowed sufficiently for their retirement. Without a superannuation payout many retirees face the dilemma of having to live modest lifestyles or to sell the primary home and scale down.

Reverse mortgages work in the opposite direction to normal home loans. No regular payments are required during the life of the mortgage, so instead of being paid off over time, the loan and

interest charges build up. The debt is paid off when the property is sold and the proceeds of your estate are settled.

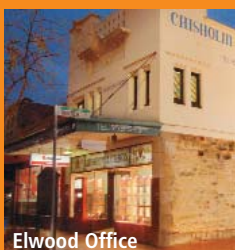
Can't live off a \$12,500 pension?

Reverse mortgages are not free of risks. Before considering a reverse mortgage consider the following points;

- Get advice – Never sign up without getting independent legal advice.
- No negative equity guarantee – This ensures that the value of the loan will never exceed the value of your house.
- Centrelink benefits – Consult an adviser or Centrelink to gauge how a reverse mortgage will affect your benefits.
- Borrowing limits – Between the ages of 60 and 65, you are typically allowed to borrow 15 to 19 per cent of the value of your property. This grows to about 25 per cent between the ages of 65 and 69 and as much as 50 per cent of the value

of the property for people over 70.

- Interest rates – The interest capitalises on a reverse mortgage, building the size of the loan over time. The standard variable rates charged by reverse mortgage providers range from 7.50 to 8.32 per cent while some providers offer fixed rates for the lifetime of the loan.
- House prices – If the rate of growth of the property increases between 3 and 4 per cent, the mortgage would still be worth 20 per cent of the property when you sold it to pay off the loan. If, on the other hand, prices drop, a reverse mortgage could quickly be more than the value of your house.
- Home repairs – Most reverse mortgage contracts carry a condition requiring the property that the loan has been taken against be kept in a reasonable state of repair. Check the mortgage contract carefully to make sure there are no conditions related to house repairs that would cause the loan to default.
- Keep the title – Above everything else, never, ever give up the ownership of your home.



Elwood Office

Chisholm & Gamon Property Pty Ltd

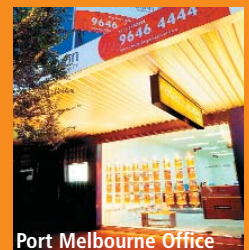
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interest rates – what's hot and what's not

Introductory loans (Honeymoon rates)

The interest rate is usually low to attract new borrowers and normally lasts for a period of two years or less. Rates can be fixed, variable or capped. After the introductory period, most introductory loans revert to the standard variable rate.

Advantages:

- Usually the lowest interest rates available on the market.

- If payments are made at the interest rate applicable after the introductory period, the principal can be reduced quickly.

- Some banks provide an offset account on these loans.

Disadvantages:

- Payments usually increase when the initial period ends.
- If the introductory rate is fixed and interest rates fall you could be locked into higher rates.

Introductory loans	Initial rate	Comparison rate	Startup costs
Average of surveyed products	6.10	7.13	\$738
Lowest of surveyed products	3.99	6.61	\$0
Highest of surveyed products	7.55	7.57	\$1,875

Standard Variable Loans

Australia's most popular type of home loan. The interest rate can vary through out the term of the loan. The term is usually 20 to 25 years.

Advantages:

- If interest rates fall, your repayments will come down.

- You can fix or split your loan; can make additional repayments without incurring a penalty and redraw additional funds.

- More flexible loan.

Disadvantages:

- If interest rates rise you will have to make higher repayments.

Standard variable loans	Initial rate	Comparison rate	Startup costs
Average of surveyed products	6.88	6.94	\$703
Lowest of surveyed products	6.24	6.40	\$0
Highest of surveyed products	8.94	7.85	\$2,163

Fixed Loans

The interest rate is fixed for the term of the loan - usually between one and 10 years. Monthly repayments will remain the same for the duration of the loan.

Advantages:

- Your repayments will not increase for the period

Disadvantages:

- If interest rates fall, you will be paying a higher comparative rate.
- Fixed loans often lack flexibility (eg extra repayments).

Fixed term loans 5 year	Initial rate	Comparison rate	Startup costs
Average of surveyed products	6.97	7.04	\$615
Lowest of surveyed products	6.69	6.56	\$0
Highest of surveyed products	8.20	8.20	\$2,163

Reverse Mortgage

For those retirees who are asset rich and cash poor, this loan allows the owner occupier to borrow against the value of their property without paying premiums and the interest accrues for the life of the loan at which time the interest and charges are levied against the owner's estate.

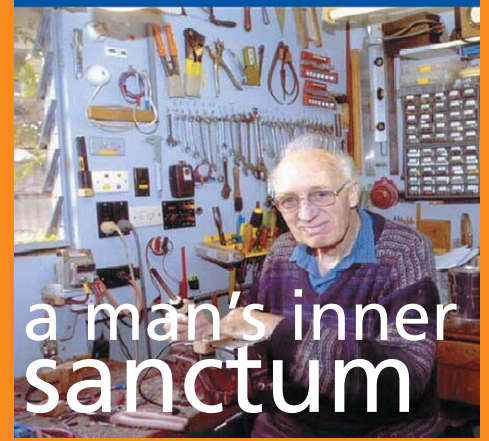
Advantages:

- You can choose when you retire.
- Draw your living expenses and maintain your standard of living.
- You don't have to sell the primary home.

Disadvantages:

- The interest rates are usually a little higher than other loans.
- The loan eats into the estate.

Reverse mortgage	Initial rate	Comparison rate	Startup costs
Average of surveyed products	8.18	8.22	\$766
Lowest of surveyed products	8.00	8.04	\$549
Highest of surveyed products	8.32	8.52	\$1,195



The shed is a place where some men are truly at home. Some live in them, others live for them.

The shed is a symbol of a man's secret life, a citadel more private than the toilet, a privilege more highly valued than Saturday afternoon at the footy or a round of golf with the guys.

It is the sanctum to which he can retreat when

- a) he's had a spat with his partner,
- b) he's been asked for the ninth time when he's going to fix the door on the letterbox,
- c) a child is wishing to book in a pick up from the gig at 1am,
- d) it's his turn to clean the fish tank,
- e) his father-in-law drops in wanting to discuss parenting or
- f) a neighbour calls to ask to borrow one of his prized power tools.

As to his tools, even touching one is punishable by a monumental tantrum of indignation, much less using one of his razor-sharp chisels as a screwdriver, or an equally heinous crime of returning one to the wrong place on his shadow-board.

It is the repository of a thousand items which are classified, in his words, as things "We might need one day" and automatically immune to any suggestion that they might be better on the tip. These include a beach umbrella broken by a wind gust in 1973 and awaiting repair, the wheel from a motorcycle he was going to restore in 1959 but never quite got around to it, 18 all-but-empty pressure-pack paint spray cans, three dead transistor radios, a bag of beads left over from the bean bag craze, one lawnmower which still, after 12 years, needs a new carburetor, and nine years of back issues from National Geographic magazine weighing more than a quarter of a ton.

A man's shed is no place for an instinct for cleanliness and order. The floor is littered with 20 years of detritus from a hundred projects which has now nicely compacted into a kind of homely Carpet of Life - sawdust, wood shavings, glue, cigarette butts, dried pools of paint, stray washers, spilt cat food pellets and the remnants of a carpet which last saw daylight in 1962.

You can't deny the attraction a man has to shedom and you'll lose if you try.