

Pay off your Mortgage or Invest?



Instead of waiting to pay off your first home, why not invest now? Investing in a second property provides a good opportunity to build wealth, but it is not for everyone.

If you answer 'yes' to the following questions, chances are that investing in a property might be a good fit for you.

DO YOU HAVE A HIGH CASH FLOW?

As long as your cash flow is high, you are in a good position to buy a second property, even if you have little equity.

If you don't have the available cash flow to fund the additional debt of a second property, you will find it hard to get ahead. For a lender to approve the home loan finance, they will look at whether you have a stable income that is capable of servicing two home loans on top of the cost of living.

DO YOU WANT TO BUILD WEALTH?

Investing while paying off your home loan has the potential to create an additional source of income and widen your opportunity to build more wealth more quickly.

Many people spend a lifetime paying off their home loan and never take advantage of the equity in their property. You can access this home equity to invest in property potentials, providing you with tax benefits and profit through rental income and capital growth.

ARE YOU COMFORTABLE WITH RISK?

It can be hard to find the courage to start a property portfolio because you fear exposing yourself to debt and risk. You can make the choice to play it safe and stay out of debt, or take the attitude that great investment opportunities warrant the risk.

There are ways to minimise risk, such as by seeking expert advice, choosing your investment property wisely and having a strong contingency plan for what to do if things go wrong. A safety buffer of 3-6 months' worth of repayments and living expenses is an important back up if you find you can't meet the repayments.

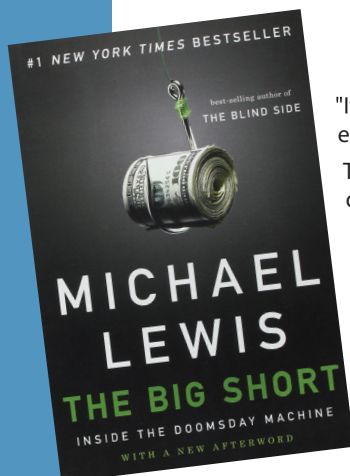
Answer 'yes' to any of the these questions? If so, give us a call and we can talk you through the options available for borrowing to invest in a second property.

2016 Expert Predictions

Here's what our economists forecast as the likely factors that will affect our property market this year.

- Interest rates will remain low
- Housing prices will hold up while growing at a slower pace
- Demand from new investors will slow due to APRA's regulations directed at limiting investment lending
- Population growth will continue
- Unemployment will remain steady
- Business confidence will rise

Book Review



The big short

The #1 New York Times bestseller

"It is the work of our greatest financial journalist, at the top of his game. And it's essential reading."—Graydon Carter, Vanity Fair

The real story of the crash began in bizarre feeder markets where the sun doesn't shine and the SEC doesn't dare, or bother, to tread: the bond and real estate derivative markets where geeks invent impenetrable securities to profit from the misery of lower- and middle-class Americans who can't pay their debts. The smart people who understood what was or might be happening were paralyzed by hope and fear; in any case, they weren't talking.

Michael Lewis creates a fresh, character-driven narrative brimming with indignation and dark humor, a fitting sequel to his #1 bestseller Liar's Poker. Out of a handful of unlikely-really unlikely-heroes, Lewis fashions a story as compelling and unusual as any of his earlier bestsellers, proving yet again that he is the finest and funniest chronicler of our time.