

Online Property Tools

Web sites and apps give us a great shortcut to buying, selling and investing in property. Check out some of these online ideas; combine them with advice from your mortgage broker and you'll save yourself time and money.

Search alerts

Set up a daily or weekly alert with real estate agency websites to let you know when a property is listed that meets your criteria. Choose from options like air-conditioning, built-in wardrobes, number of bedrooms and proximity to public transport.

Cost estimates

There's no end of property costs to calculate, such as stamp duty, amortization and investment returns, but thankfully there are a number of mortgage and investment property calculators that will sort out these complicated math sums for you. Make sure the calculator you choose takes into account all the necessary information and includes fees and costs you are likely to need to know about.

Home tracker

It's important to look at many different properties before you make the decision to buy, but the problem is that it's hard

to remember them all. There are now a number of great apps and websites to help you keep track of the ones you visit – enabling you to document each with notes, maps, photos and video.

Makeover ideas

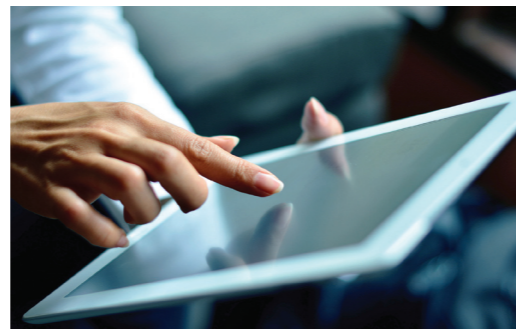
Stuck for ideas on how to renovate/ remodel your home? Interior design magazines need not be your only source when there are apps and websites full of design inspiration and from which you can often search by keywords and categories. Type in 'bedroom' or 'storage' to any of these sites to find thousands of photos and product leads.

Becoming a landlord

If you choose to manage your properties without the assistance of an agent, you might need some help along the way. Use online resources to help you with issues like taking inventories, creating rental agreements, keeping check on rent payments and finding new tenants.

Suburb profiles

Wondering whether a particular suburb is a good place to invest? Look up the suburb on a property data website to find out all manner of information like demographics, median sale prices, rents and time on market.



About Us

Hunter Lending Solutions is part of TFS Group. We are financing professionals here to help you through the complex process of securing a loan.

Our Mortgage Broking business was established in 2007 to primarily provide additional services to the Financial Planning clients of our sister company TFS - The Financial Planning Professionals. However our business has now grown beyond that and services the broader community.

Our loan writer is Adam Greentree, Adam is a member of the MFAA and is authorised to provide Credit Advice through Vow Financial Group. Adam is also a Certified Financial Planner and holds a Masters of Financial Planning. With over 20 years in the Financial Services Industry, Adam is well positioned to provide our clients with professional and comprehensive advice.

Hunter Lending Solutions is more than just Adam. He is backed up by a total staff of 7 to ensure that we provide the highest level of service.

We have a working relationship with many banks and non-bank lenders and can provide you with access to hundreds of options when it comes to financing a home, allowing us to provide you with the most efficient and cost-effective method of obtaining a loan that fits your financial goals and circumstances.



The Team

Back: Taryn, Adam, Virginia, Maureen
Front: Cathy, Naomi, Jackie



MAY/JUNE 2014 | NEWSLETTER

Hunter Lending Solutions
More than just a home loan



STATISTICS SNAPSHOT



USE DEPRECIATION TO SLASH YOUR TAX BILL



SQUEAKY CLEAN CREDIT



ONLINE PROPERTY TOOLS

Your credit rating will now contain the good, the bad and the ugly under changes to Australia's credit laws. All manner of data will now be collected on credit repayment behaviour, not just negative information like defaults, as was previously recorded.

For consumers who pay their bills early or on time it's a great way to ensure a squeaky clean credit rating – find out more on page 3.

We also cover the topic of depreciation (it's tax time again) on page 2 and how you can use online property tools to save yourself time and money – page 4.

Below we've provided a snapshot of property-related statistics, including the news that many Australians are paying too much for their home loans. Have you reviewed your home loan lately?

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

Statistics Snapshot

Here's a round-up of interesting statistics you might want to know about:

1 Australians are worried about not having enough money for retirement:

Over half the participants of the 2014 MLC Retirement Survey expect not to have enough money to retire on. One in three people expect a sizeable financial shortfall at retirement and only 3.5 per cent think they will have more than enough money to maintain a desired lifestyle. Around 70 per cent said they did not have a fall-back plan for financial setbacks like health issues and unemployment.

2 Borrowers should be paying less for their home loans:

The official Reserve Bank of Australia cash rate has been at a historic low of 2.5 per cent since August 2013, yet some borrowers are paying up to 9 per cent for their home loans simply because they haven't shopped around for a better deal. There are hundreds of products on the market so it pays to review your loan on a yearly basis. Speak to your mortgage broker for assistance.

3 The value of residential property is on the rise:

The estimated total value of residential properties in Australia hit \$5 trillion for the first time, according to the Australian Bureau of Statistics (Dec quarter 2013). House prices are expected to keep growing in the next 1-2 years, particularly in Queensland, reports the recent quarterly NAB Residential Property survey.

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.

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More than just a home loan

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We're a member of the Mortgage & Finance Association of Australia (MFAA), the peak industry body. As a member, we adhere to the industry Code of Practice which requires high standards, fair business practices, ethical behavior and compliance with the letter and spirit of relevant laws and regulations.



Use Depreciation

to Slash Your Tax Bill

Did you know that you can claim tax deductions for the wear and tear to the fixtures, fittings and appliances in your rental property?

Depreciation is one of the many great tax breaks that make property investing affordable for the average person. It refers to the decrease in value of a property or asset – such as the carpet wearing and furniture becoming dated – that occurs over the time you own it. Depreciation rates vary according to the age of the property, with new properties collecting the greatest benefits.

As an investor, you can write depreciation off as a tax-deductible expense and in doing so make valuable savings and increase your cash flow. Here's how:

Building Allowance

Also known as capital works deductions, these include construction costs, the cost of altering a building and the cost of capital improvements to the surrounding property.

As a general rule, you can claim a deduction in the 40 years or 25 year period following construction for the costs of anything from extensions (such as a garage or deck) to alterations (e.g., kitchen and bathroom makeovers) to structural improvements (like adding a room or carport).

The amount you can claim depends on the date construction started on your property. The Australian Taxation Office states that a deduction can be claimed for the capital works on residential rental properties built after 17 July 1985. If construction commenced between 17 July 1985 and 16 September 1987, you can claim 4 per cent per annum of the building cost and if construction began after September 1987, the rate drops to 2.5 per cent.

Plant and Equipment

Computers, electrical tools, furnishings, carpet and curtains are all considered as depreciating assets by the tax office.

A depreciating asset is an asset that has a limited effective life and can reasonably be expected to decline in value over the time it is used.

The tax office lists all the items you can claim and for how long they can be used (also known as their 'effective life'). For example, ceiling fans are listed as 5 years, carpet as 10 years, dishwashers as 10 years and ovens as 12 years.

If the asset cost \$300 or less you can claim an immediate deduction, and to save on paperwork, depreciating assets valued at less than \$1,000 can be grouped in a low-value asset pool and depreciated together.

To claim depreciation it's a good idea to use a qualified quantity surveyor as they will inspect your property and prepare a report for your accountant.

The ATO website also offers a free tax webinar that explains the tax rules about what you can claim.



Squeaky Clean Credit



Did you know?

Going from bank to bank to apply for a loan will show up on your credit history and may not be looked on positively by lenders.

It's a better idea to do your research before making your application for credit, including seeking advice from your mortgage broker about which lender is likely to approve your loan. We have a vast knowledge of what lenders are looking for and can advise you of the best ways to make your application attractive to lenders.

Paying your loans and bills on time has taken on a new level of importance thanks to reforms to Australia's credit reporting system.

On 12 March 2014 a 'positive' system was introduced to give lenders more detailed information about a customer's credit risk and ability to repay debt. Previously, only negative information such as defaults and bankruptcies was permitted to be held, whereas the new system rewards good repayment behaviour, giving consumers the chance to improve their credit score and borrowing prospects.

Lenders are now able to see the full picture, including how many other accounts their customers have and what credit limits are attached to them. This more detailed information gives lenders a better understanding of whether a further loan would make the borrower even more overcommitted. It also means they can distinguish between high and low risk borrowers and potentially offer more competitive products to low risk clients.

Here's some of the information that will be held in your credit file for debts like personal loans, car loans and credit cards.

- The dates which you opened and closed credit accounts
- Credit card limits and the type of card
- Whether you are five or more days late in paying.

This and other repayment information (like whether you have made payments on time) stays on your file for two years.

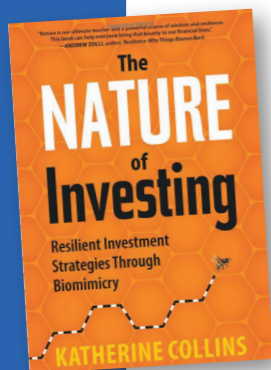
- If a repayment of over \$150 is more than 60 days late, it will be listed as a default. This stays on your file for five years.
- The number of credit enquiries you have made.

A good credit rating is an important part of securing a home loan so the impact of the changes will depend on how well you manage credit.

- If you commonly pay bills late by five or more days you might have difficulty obtaining further credit.
- If you have a good credit score you can use this to shop around and get the best deals. Your mortgage broker can also use this as an additional tool to assist in negotiations with lenders.
- If you have a black mark on your record, you will at least be given the chance to show lenders that your more recent behaviour shows that you are in fact a reliable credit risk.

Visit veda.com.au to access your credit report and check the information is correct. You can even monitor changes through Credit Alerts and help protect your identity.

Book Review



The Nature of Investing: Resilient Investment Strategies Through Biomimicry

We are all investors. We invest our time, our energy, our money. We invest every single day, as citizens, as consumers, as businesspeople. At its core, investing involves connection, exchange, and mutual benefit. Lately, however, the primary, beneficial function of investing has been overshadowed by ever-more mechanized iterations of finance. We have created funds of funds, securitizations of securitizations, and entire firms whose business is based on harvesting the advantage of microseconds of trading speed.

The Nature of Investing calls for a transformation of the investment process from the roots up. Drawing on the author's twenty-plus years of leadership experience in top investment firms, the book connects real-world finance with the field of biomimicry.

Readers will discover an approach that re-aligns investing with the world it was originally meant to serve. An approach that values resiliency over rigidity and elegant simplicity over synthetic complexity. This is the true nature of investing.