

Welcome to Mortgage Watch

I hope you find the information in this issue useful and informative. Please feel free to pass this newsletter to family or friends.

Regards,
Jeremy Zabat



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mortgage watch

Cash rate remains at historic low.

The Reserve Bank of Australia (RBA) has announced that it will leave the cash rate on hold at 1.50% for another month. Governor Philip Lowe had this to say in his official statement:

“Conditions in the housing market vary considerably around the country. Prices have been rising briskly in some markets, although there are some signs that these conditions are starting to ease. In other markets, prices are declining. In the eastern capital cities, a considerable additional supply of apartments is scheduled to come on stream over the next couple of years. Rent increases are the slowest for two decades. Growth in housing debt has outpaced the slow growth in household incomes. The recent supervisory measures should help address the risks associated with high and rising levels of indebtedness. Lenders have also announced increases in mortgage rates, particularly those paid by investors and on interest-only loans.”

So, what does all this mean for you? Despite the recent cash rate hold there have been a number of lenders, including the Big 4, who have recently changed their interest rates at their own discretion. Keep a close eye on any rate movement, and consider whether your current loan is the right one for you, right now.



Self-employed people have happy lives - but can they buy houses?

There are a lot of benefits to being self-employed. Rather than having to show up to an office and report to a boss, you instead get to take control of your own career. You decide when and where you work - and perhaps most importantly, whom you work for. Having this autonomy is a sure-fire way to create a happier life for yourself.

There is one drawback, though. Working for yourself makes it more difficult to earn a clear, verifiable income. Without having a simple paycheck on paper for anyone to see, it's tougher to demonstrate you've got the financial capability to make a big purchase, like a house. You might need to have the right broker to pull it off.

Self-employed people have happier lives

This idea that self-employed people are happier isn't just speculation - it's a verified fact. A recent study by registered training organisation Upskilled found that 4 million Australians are working today without bosses, and a stunning 92 per cent of them say they have happy lives.

"I don't think there is anything more satisfying than being your own boss," freelance photographer Yve Lavine told the Sydney Morning Herald. "Within reason, I can choose clients, and I love telling people's stories through photography." Daily life tends to be more pleasant when you work for yourself - though that says nothing of bigger long-term challenges like making mortgage repayments.

Verifying your income can be a hassle

The hard part of being self-employed is that, even if you're making decent money, it's hard to put together the paperwork to prove it. YourMortgage cautions that when you're your own boss, your applications for home loans are likely to be highly scrutinised, and you'll be in trouble if you don't have evidence to back up your claims of income.

Steady cash flow and detailed record-keeping are two keys to proving you're worthy of buying a house. A third essential element is being able to find a mortgage broker who will represent you.

Get a broker who will fight for you

Are you self-employed and looking to buy a house in the near future? We have access to a vast network of Australian lenders, and we're confident we can find the right one for you.

We make it easier for self-employed people to find home loans every day. Whether you're working for yourself short-term or long, and even if your financials are incomplete, we'll help you find a deal that works.

Renovating your home without breaking the bank

When you think of "renovating your home," what do you think? If you're like most people, your mind wanders immediately to visions of long, complicated expensive projects that bring more in the way of stress than actual home improvement. It doesn't have to be this way, though.

In reality, there are plenty of ways to improve your place that are relatively quick and affordable - and in the long run, they'll help you make money on your property rather than spend it. You'll have a more attractive home in the long run, and that's a source of real value. Let's talk about how you can renovate your place without going broke.

Adding real value to your home

When you renovate your house, you've got to look at it through a financial lens - how can you make your home valuable so the deposit and mortgage repayments will ultimately be worth it? According to News.com.au, you want to look for ways to add to the "kerb appeal" of your home.

"Cement rendering the outside and external painting will typically give you a \$10 return for every \$1 invested," professional renovator Cherie Barber said. "So if you have a limited budget, you need to do those changes. It'll transform your property and jack up its value."

When it comes to house prices, places that have a distinct "wow factor" tend to run highest. Making your home more visually impressive should pay dividends.

Planning a financially responsible renovation

To guarantee that you'll get the best value on your renovation, you want to do your research first. Consumer Affairs Victoria recommends shopping around and finding at least two or three quotes before agreeing to undertake a project with a given contractor.

You want to be thorough as you confirm the project will be worth it financially in the long run. This may include getting insurance to protect against unexpected mishaps, as well as finding a mortgage broker who can help you fund the project.

Get a broker to help finance your work

Making improvements to your home can improve your quality of life and your property portfolio, but you want to spend responsibly to do it. For this reason, it's wise to use Australian mortgage brokers who can get you loans for the cash you need.

We'll remove the hassle from the process and find you the right home loan, right away. Giving us a call is the first step toward making your dream home into a reality.



Taking out personal loans isn't just for housing anymore

According to conventional wisdom, you'll only want to take out a personal loan if you need money to buy a home. The price of a home in Australia today is exorbitant - according to Domain Group data, for example, the median in Sydney just surpassed \$1.15 million for the first time - so if you want to buy one, you'll probably need help.

This is all true, but the reality is that homeownership is far from the only reason you may want to seek loans. There are plenty of major life events you might encounter that would necessitate borrowing a little money, and buying real estate is just the tip of the iceberg. Let's explore some of the other possibilities.

There are plenty of reasons for a loan

Home loan brokers might get a lot of headlines, but they're not the only ones helping people access the capital they need. The Huffington Post surveyed Australian borrowers and found a variety of reasons people take out loans.

- Home remodelling: Renovating your place can add a significant amount of value, which often means it's worth borrowing some cash.
- Major life events: For example, it's hard to put a price on having the perfect wedding. This is another big reason to borrow.
- Restructuring debts: For people who have multiple large credit card balances, taking out one lump-sum loan can help restructure things nicely.
- Starting a business: New startups aren't cheap. You need materials, labour and lots of other elements. A loan can help pay for them.

Be careful about how to proceed

There are all sorts of reasons to get a loan, but sometimes caution is best. News.com.au warns that if you apply for too many loans too fast, it can hurt you in the long run.

"It's not advisable to apply to multiple lenders at a time," said Greg Symons, co-founder of marketplace lender Society One. "The more inquiries [there are] on your credit report, it will diminish your credit score considerably."

Usually, the best strategy is to be judicious about the loans you pursue, choosing ones that will offer the best loan interest rates and proceeding only when you've found the perfect fit. If you need assistance with finding such loans, that's not a problem. Our team has access to a deep network of Australian lenders, and we're ready to find one for you.



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