

PINNACLE CHOICE



QUOTE OF THE MONTH

It's not your salary that makes you rich. It's your spending habits.

- Charles A Jaffe

NEWSLETTER ISSUE - DECEMBER 2019

HOUSING "RED HOT" IN 2020

The Australian's housing market is expected to remain red-hot through to the new year, according to a recent poll by property analysts.

13 property analysts believe that, thanks to interest rate cuts from the Reserve Bank of Australia (RBA) earlier this year and expectations

of further cuts in 2020, average home prices across the country would rise by 5.0% next year before slowing to 4.5% in 2021.

A regional breakdown of the poll data showed the cities of Sydney and Melbourne would lead property price growth in 2020, with house prices

expected to rise 7.7% in Sydney and 7.4% in Melbourne next year.

Paul Bloxham, chief economist at HSBC, explained "Six months ago, the key debate among many Australian housing market observers was how much further prices could fall.

Now we expect housing prices to continue to rise in 2020, underpinned by mortgage rates, which are likely to stay low for a considerable period of time."

*Duffie Osentel - Your Investment Property Magazine 2019



AUCTION CLEARANCE RATES NOVEMBER 2019

77%
Sydney - NSW

All states saw an increase in clearance rates with Brisbane jumping from 34% last month to 49%

*Domain Auction Results 2019

72%
Melbourne - VIC

59%
Adelaide - SA

49%
Brisbane - QLD



Happy Holidays

We wish you all a safe and happy holidays with your family and friends!

From The
Pinnacle Choice Team

Our office will be closed from December 20th returning on January 13th 2020.

HOW THE FEDERAL GOVERNMENT'S RETIREMENT REVIEW COULD AFFECT YOU

Retirees are likely to face fresh rule changes affecting their finances as the Federal Government ramps up its review into retirement incomes.

Home ownership, the age pension, superannuation and savings are being examined in the review, with its independent panel required to hand in a final report to the government by June next year.

Finance specialists say the retirement incomes review could lead to tougher age pension access rules, higher taxes for superannuation, an

increase in the super access age and freezing employer super contributions at 10 per cent. The age pension currently pays a maximum of \$933.40 per fortnight to singles or \$1407 a fortnight to a couple.

Mr. James, director of MBA Financial Strategies, urged pre-retirees to start planning sooner. "If you wait for government change but do nothing you could be waiting a long time" he said.

People need to hedge their bets and not have all their financial eggs in the super basket,

Mr. James said. "With the stroke of a pen the government can change the rules" he said.

*ABC News - Michael Janda for The Money 2019

Do you think you'll be financially ready for retirement?

Let our consultants help set up your retirement plans and goals! Contact us on 0434 034 105.





There is Room for Two More Interest Rate Cuts

The RBA says there is room for two more interest rate cuts to 0.25 per cent before drastic action is needed to save the economy.

Governor of the Reserve Bank, Philip Lowe, says negative interest rates are “extraordinarily unlikely” to be used in Australia. Countries including Denmark, Sweden, Japan and Switzerland have taken interest rates below zero in the past to deal with financial crises and economic slow downs.

Dr. Lowe said the economy is benefiting from the already low level of interest rates, recent tax cuts, ongoing spending on infrastructure, the upswing in housing prices in some markets and a brighter outlook for the resources sector. “We are expecting things to be moving in the right direction, although only gradually” Dr Lowe said.

The government has argued that it is doing enough to stimulate the economy through interest cuts before having to look at using unconventional tools such as negative interest rates.

* Paul Osborne - AAP 2019

PUT THE BRAKES ON THE RISING COST OF KEEPING A CAR

Car running expenses are one of the biggest financial drains on most households and the cost is accelerating. Whether its surging car insurance premiums going unnoticed or petrol prices jumping above \$1.70 a litre, price pain is real. However, motorists have opportunities to control their spending.

Budgeting specialist David Rankin, the founder of Sort My Money, said households with more than one vehicle could save the most money by ditching one set of wheels where possible.

This would halve costs such as insurance, registration, tyres, repairs and maintenance. “It’s ongoing

savings lifestyle wise if you can afford to run on one car”.

Below are some tips on how to spend less on the car running costs for households.

1. Buy petrol at the lowest trough of the price cycles if you can. If you have to fill up, just put a bit of petrol in and wait until prices are on the way down again.

2. Download apps and websites where you can compare petrol retailers’ prices but make sure you factor in your time and travel costs if chasing cheaper fuel.

3. Avoid short trips, as car engines can consume 20 % more petrol when cold.

4. Using cruise control and maintaining steady cruising speeds.

5. Research insurance companies and prices amongst them all and comparing the benefits on your lifestyle.

6. Look around for cheaper car services if your car isn’t covered under warranty and you’re not obliged to go with your car dealer’s servicing department.

7. Set up a separate bank account to cover big car expenses such as tyres and registration so when they come around they don’t set you back and you are prepared.

* Anthony Keane - News Corp Australia Network 2019

The Christmas Survival Guide

Christmas is around the corner and it’s time to get ready for the big holiday, financially! If you’d rather not start the New Year with a new debt, let’s work through this Christmas survival guide to smarten up your holiday habits.

Presents

Don’t wait till the holidays to buy. Utilise sales throughout



the year to snatch up bargains and presents to put towards Christmas. You may not even need to buy the presents but get ideas so when it comes closer to Christmas, you know what you’re getting and where you could get the best deal. Plan your spending and allocate a budget for your ideas/presents. Have a strict “in and out” mentality to avoid splurging on gifts for yourself and avoid entering store you need to. Always remember with gifts, quality over quantity.

Holidays

A summer break holiday is often on the cards for families, but

they’re often more expensive than you’d think! Why not try go camping this year with the family if you all want an adventure for Christmas. Make use of bargain holiday sites because any discount off the holiday goes a long way towards your Christmas budget. Otherwise, you might be underestimating just how much fun there is to be had from putting aside a week to have at home doing absolutely nothing! Stock up on games, movies and activities for the family to enjoy.

If you want more Christmas tips, check them out [here!](#)

* James Hurwood - Canstar 2

How to Become a Millionaire in 10 Years or Less Through Property Investing

We all have different reasons for investing in property, but it ultimately boils down to one main goal only: to make money. For those who are organised, disciplined and have a clear strategy, achieving a target of \$1m in property equity within a decade isn't a pipe dream. Whether your strategy involves commercial or residential properties, old or new assets, or a mix of all of the above, there are clear steps you can take towards building your property wealth. Let's have a look at the five steps recommended by Your Property Investment Magazine that will help you move forward on your property journey.

Step 1: Set your Foundations

Before you jump head first into buying an investment property, you should establish a strong base for investing.

The most important step is to set your goals. Setting goals not only help you figure out the right strategy to implement but it keeps you on track as your investment journey moves forward. CEO of Wholistic Financial Solutions believes "the essential element in property investing is to get the financial foundations right. You wouldn't buy a property without checking it was structurally sound would you?".

A practical way of preparing as an investor is to consider your standard of living and how that affects your ability to invest.

A common aim of property investors is to set themselves up for a comfortable retirement, early or otherwise. It is essential to minimise your purchasing and holding costs and get as many tax dollars as possible to assist you to pay for your investment property.

Step 2: Create a Strategy

Once you've set up your investment goals and have a clear picture of where you would like your property investment journey to move,



it's time to think about how you can achieve these goals. When developing a strategy, investors must consider factors such as the cash they have at their disposal, their borrowing capacity, their level of related skill & expertise and how much time they have to give to the process.

Brendan Kelly from Results Mentoring explains that "in today's finance environment, lenders are more willing to offer finance to those that can demonstrate great financial control personally". This means a good savings track record, clear accounting for where your money goes and a regular and reliable pay cheque. An investor's mindset should be focused on a long term strategy to reap the benefits of capital growth. Time is a very important factor when developing your strategy and planning.



Step 3: Take Action

Now it is time to put the strategy into place, get moving and start building your property portfolio you've been dreaming about. Many people think that owning an investment property is only the domain of the wealthy, and that much of your personal time and effort needs to be plowed into the pursuit, but this doesn't have to be the case, especially when there are experts out there who can help you.



Step 4: Manufacturing Growth

Property is one of the most diverse ways to invest because it doesn't just have to be about what you're familiar with. You can find success in investing in places you haven't been to personally, whether that's overseas or interstate. In order to sustain a property portfolio an investor needs to be able to pay down debt, especially on negative-gearred investments.

Step 5: Rinse and Repeat

Building a million-dollar portfolio takes time, persistence and a willingness to go outside your comfort zone, whether you're new investor or one with a few properties already under your belt. Property investment is about playing the long game, so you need to be ready to stay in the "buy and grow" cycle for years to come. The most important thing is to stay realistic throughout the journey. Ultimately, there's no perfect formula for getting that first million in property, as it's a process that will vary across different types of investors and markets.

Be confident, take action and stay on track with your property strategy, because most people just get stuck, procrastinate, don't start or start and don't progress any further. The key is to reduce debt as quickly as possible, re-borrow and then go again, but keep focusing on paying down debt quickly.

Your Investment Property Magazine, Edt. December 2019.



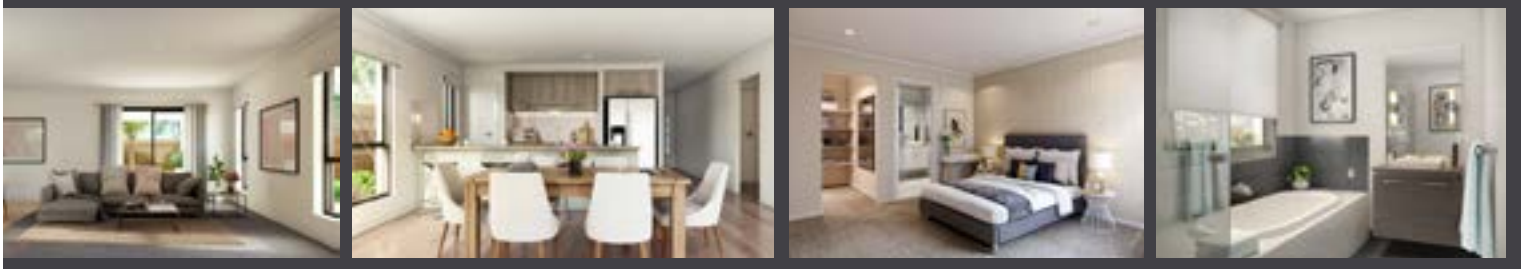
Stock of the Month - Hayfields Estate

CONTACT US FOR MORE INFORMATION



Windsor 1221 | Plume Facade

*Image is for illustrative purposes only and may not represent the final product due to predetermined Colour Scheme, Facade &/or House Design



Full Turnkey Package Inclusions:

- > Reverse Cycle Split System to Living
- > Ceiling fan to all Bedrooms and Alfresco (if applicable)
- > Telephone Point
- > TV Antenna & TV points
- > External Light Points
- > Internal Light Fittings
- > Electric HWS
- > Floor Coverings as per Specification
- > Overhead Cupboards to Kitchen
- > Tiled Shower Bases
- > Window Furnishings
- > Fly Screens and Fly Doors
- > Towel Rails and Toilet Roll Holders
- > Stainless Steel Appliances
- > Dishwasher
- > Clothesline & Letterbox
- > Fencing & Driveway
- > Fully Landscaped Front & Rear Yards



House Area: 190m²
Land Area: 330m²



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