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The Media is talking about Banks vs Non Banks but what does this mean to you?

Banks vs Non Banks

Competition is again heating up between the banks and non-banks as liquidity returns to the lending market.

When times were tough during the global financial crisis, borrowers turned to the safety of the majors. Government backing of the banks was enough to convince most borrowers that they were in safe hands with the major financial institutions.

But times have changed. Today it is the major banks that are coming under government scrutiny

when most lenders pushed their mortgage rates up by as much as 0.2% above the Reserve Bank's November rate rise.

Non-bank lenders have seen an opportunity to win back the borrowers lost to the banks in previous years and in many instances they have provided competitive rates.

But it is not interest rates alone that have prompted borrowers to look beyond the banks. Self-employed, credit impaired borrowers and business owners that have been turned

away by the banks have often found their business welcomed by the non-bank sector.

So when you are looking for the right lender for your situation, we are a great point of call when it comes to looking across the full spectrum of products.

We are not only able to find the most competitive rate but we can also help you evaluate the suitability of the product and the lender. We listen to your needs.

Christmas Message

We would like to take this opportunity to wish you all a very Merry Christmas and hope you will speak to us to ensure 2011 is as prosperous for you as possible.

For those of you who have supported us with business, we are very grateful and welcome feedback from you at any time.

Over the Christmas break our West Leederville office will be closed from 24 December 2010 re-opening Monday 10th of January. The answer machine and email will be periodically monitored.

However, all our Finance Managers are still available on their mobile phones to help you with any of your borrowing requirements.

So why not speak with one of our Finance Professionals and review your current loans and understand your options for the year ahead.

A 10 minute phone call could make a huge difference to your finances.

Renovating Right.



Renovating is a national pastime - just one look at a TV guide and the plethora of shows dedicated to renovating will instantly highlight this. The process of turning an old house into a new one is engrained in the Australian culture.

But while renovating a property can add significant value, there are numerous issues that need to be considered before you start knocking down walls or ripping up carpet.

As well as making your home more liveable, the number one driver for renovating a property should be to add value. Here are a number of key points to keep in mind to get the biggest bang for your renovation dollar:

Be smart

Often the things that add the most value to a property can be done on a shoestring budget. By simply applying a coat of

paint, replacing the carpet, undertaking a bit of landscaping or adding new lighting fixtures; an old property can have both life and interest breathed into it.

Set realistic budgets

It is crucial that you set yourself a budget before you begin renovating. It is not a matter of simply estimating the overall costs; you have to sit down and plan it out based on research, strong costs analysis, and most importantly, appreciation of what types of renovations add the most value.

When you are accounting for your renovation costs, build a buffer of at least 10 - 20% into your budget as very rarely do renovations go off without a hitch. Even professional renovators underestimate costs, so be conservative with your forecasts.

Know your target area

Before you start your renovations, get to know the style and structure of other properties in your area. By understanding the type of people that are likely to buy in your area can you style the property to suit the majority.

While you might be renovating with view to live long-term in your property, keep any changes modern and contemporary - don't be too outrageous with your design.

What you might find appealing and attractive others might think otherwise. This may therefore impact the price you receive should you sell the property or decide to let it out.

If considering a renovation, speak to us first and we'll help you ascertain how much you can borrow.

Deal with a LICENSED Finance Broker

There has been a legislative change which has impacted on the Finance Broking and Banking industry with the introduction of NCCP legislation. To ensure

compliance at the highest level, all Finance Managers at 'All About You' Financial Solutions have achieved their Finance Brokers Licence and passed the most

stringent of ASIC testing so you can rest assured, you are dealing with true professionals when dealing with our company.

Economic Wrap



When the Reserve Bank of Australia (RBA) lifted interest rates in November 2010 it did so with one fundamental goal in mind: to rein in the pace of economic growth.

The RBA Board's 25 basis point rate hike achieved that, which was one of the key drivers behind leaving rates on hold at 4.75% in December.

Recently released data from the Australian Bureau of Statistics (ABS) shows that Australia's economy is currently feeling the impact of higher interest rates, a still fragile global economy and a strong currency.

Growth in household consumption has almost halved in the past couple of months - dropping to 0.6% from 1.4% in October 2010.

In addition, last week's national accounts found that the household savings rate is currently sitting above 10% - suggesting consumers have lingering concerns about the global financial crisis and the direction of interest rates.

Most economists now believe the next tightening phase will begin in the June 2011 quarter, which will certainly be comforting news for home owners with mortgages.

HSBC Chief economist Paul Bloxham says inflation will remain largely under control until mid-2011 when stronger economic growth will ultimately result in an upwards drift in inflation, which will argue the case for higher rates.

Currently, the unemployment rate sits at 5.4%, after rising 0.2% in October 2010.

Employment growth has been very strong over the past year, and some leading indicators suggest the moderate pace of expansion will continue into the period ahead. Any boost in mining investment will ultimately push the economy closer to full employment.

NAB's chief economist Alan Oster expects the unemployment rate to settle at 4.75% in the New Year, which will give case for the RBA to start the next phase of tightening.

According to Mr Oster, the RBA should not raise the cash rate drastically next year; instead it should peak around 5.5% in December 2011.

This would take the average standard variable rate (SVR) to around 8.5%. At present, the average SVR of the majors is 7.7%.

While it would appear that a reprieve from rate hikes looks likely in the immediate future, it is well worth reviewing your current mortgage to ensure it's still the right one for you.

With a solid understanding of your current position you can look to capitalise on the months ahead when rates look set to stabilise, which may include driving your mortgage down or alternatively, freeing up equity to purchase an investment property.

Please feel free to give us a call and we'll talk through your options.

Contact Us

'All About You' Financial Solutions — Making Loans Easy

Suite 2b, 17 Southport Street
West Leederville, WA, 6007

P.O. Box 1233
West Leederville, WA, 6901

Email:
contact@allaboutyoufinance.com.au

Web:
www.allaboutyoufinance.com.au