

HOME LOANS NEWS NOW

A smart read.

www.homeloansnow.com.au

February 2007 Issue 9

In this issue...

Some advisers will charge a lot of money to tell you how to pay off your home loan quicker. But there's really no magic formula. This issue, we look at some common sense ways to clear your mortgage sooner.

We also discuss some of the issues you need to consider before renovating. And on the final two pages of the newsletter, PRDnationwide Research has prepared a list of median prices for us. We've included median prices for both houses and units for the first time. Although this is the latest data available, keep in mind that the prices are only relevant for the period up to September 2006. There may have been price movements since then.

Best wishes from the team at Home Loans Now.

Pay off your mortgage sooner

Is your goal to pay off your home loan and be debt-free as quickly as possible? If so, you're not alone. A MIAA/BankWest home finance survey last year showed 86 per cent of respondents were interested in paying off their mortgage quickly.

The Australian Consumer Association points out that there's no special 'secret' to paying off your mortgage sooner.

"The quickest way to pay off any loan is to just pay it off," the ACA says.

There are a few simple ways to do that.

1. Pay a lump sum

If you receive a large tax return or windfall, you could always use it to pay down your home loan.

The ACA points out that a lump sum repayment can be helpful because you essentially reduce the amount of

principal on which interest is calculated.

So from that point on, you'll be paying less

interest. And the other benefit of paying a lump sum is that you're on your way to clearing the mortgage more quickly.

With some loan products, you might have to pay a penalty fee for making extra repayments, so always check out the conditions of your loan before using a strategy such as this.

2. Make bigger repayments

"Increasing how much you pay, particularly in the early years, can have massive long-term benefits," says the ACA.

Visit www.homeloansnow.com.au and go to the calculator page to see how much of a difference it will make if you decide to make larger repayments on a regular basis. (You'll first need to check the conditions of your loan to find out if this strategy is available to you).

3. Pay fortnightly

"This is really just a way to make yourself pay more to your lender each year, thereby cutting interest and years off your loan. By paying every two weeks you'll make the equivalent of an extra month's repayment each year (as each year has 26 fortnights)," says the ACA.

For many people it makes sense to pay off a home loan as quickly as possible – because the interest payments are not tax deductible (as opposed to the interest payments on a loan for an income-earning investment).

On the other hand, some people might prefer to use excess cash flow to fund an investment rather than putting it towards extra home loan repayments. It always depends on your individual circumstances and goals, and it's essential to see your financial/investment adviser to work out the best strategy for you.



Who's saying what?

John Edwards, chief executive of Residex, November 2006:
“The statistical data suggests that the adjustment phase (in real estate prices) is drawing to a close and most markets are going through the very early stages of a new growth cycle. Buying patterns are changing and growth is evidencing itself in the upper socioeconomic areas of most cities. History tells us that this is normal in new growth cycles.”

Herron Todd White property valuers, December 2006:
“Looking back over 2006, one would have to say that in most localities the market has been resilient and steady in the face of three interest rate increases.”

Peter McGrath, REIQ chairman, December 2006:
“The middle ring suburbs (between 5 and 20 km from the city centre) were the strongest performers in Brisbane over the September quarter, with a high volume of sales and robust price growth.”

If you want to know more about home loans, call Home Loans Now, now.

HOME LOANS NOW
A smart call.

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Mortgage brokers no. 1 choice with home buyers

Mortgage brokers are now the first choice for home buyers looking for a loan. According to a recent MIAA/BankWest home finance survey, more than 41 per cent of recent or intending home buyers said they would go to a mortgage broker to arrange a home loan.

It's the first time the regular survey has indicated that more home buyers prefer arranging their loan through a broker, rather than going straight to a bank.

According to the survey, 37.2 per cent of buyers in Australia still regard banks as their first preference.

After the banks, non-bank specialist home loan suppliers were the next most popular destination for a home loan (first preference for 10.3 per cent of borrowers), followed by credit unions (8.5 per cent) and building societies (2.6 per cent).

The MIAA/BankWest research showed the main reasons that people prefer brokers are that they offer a one-stop shop and the ability to “do all the legwork for you”. Respondents also showed a preference for brokers because of their ability to offer a range of loan options from different lenders, while offering convenient service and flexibility.

Renovating for profit

Are you planning to renovate? If so, one of the first questions you need to ask is whether or not it makes financial sense. So say Karina Barrymore and Bruce Brammall in their new book, *The Power of Property*. They suggest that a renovation should either increase the amount of rent your property brings in (in the case of an investment property), or increase the property's selling price.

They believe that the higher rental, or higher selling price, should justify the effort involved as well as the interest payments you pay on any borrowings used to fund the renovation.

Barrymore and Brammall point out that there can be an opportunity cost when you renovate. In other words, if you are going to spend \$50,000 doing a property up, you need to consider whether you'd be better off investing that same \$50,000 elsewhere.

They pose these questions: “Would you be better off using this money as the deposit for another property? Would you be better off splitting the \$50,000 across two properties and upgrading only part of each? Would you be better off selling this property and buying one already renovated? If you don't expect to earn extra rent immediately from the renovation, do you have the cash flow to keep up the interest repayments on the extra \$50,000 during the renovation and while you wait to sell it?”

In many instances a renovation will make good financial sense – particularly when there are cosmetic changes (such as a new coat of paint) which can be done cheaply, yet add a lot of value to the property in the eyes of a potential tenant or buyer.



\$100 reward

Do you know someone who is looking for a home loan? Refer them to Home Loans Now and once their finance gets approved and their loan settles, we'll give you \$100 to say thank you. Just be sure your friend or relative tells us you sent them!

Median house and unit prices

Continued on page 4

Suburb	HOUSES			UNITS		
	Sep 2005 Median	Sep 2006 Median	% change	Sep 2005 Median	Sep 2006 Median	% change
Brisbane Area						
ACACIA RIDGE	\$235,000	\$258,000	9.7%	na	na	na
ALBION	\$387,500	\$440,000	13.5%	\$283,000	\$283,750	0.2%
ALDERLEY	\$407,500	\$427,500	4.9%	\$243,500	\$361,000	48.2%
ALGESTER	\$290,500	\$320,000	10.1%	\$288,000	na	na
ANMERLEY	\$380,000	\$406,750	7.0%	\$220,000	\$240,000	9.1%
ANSTEAD	\$542,000	na	na	na	na	na
ASCOT	\$859,000	\$849,000	-1.1%	\$324,500	\$288,000	-11.2%
ASHGROVE	\$450,000	\$466,000	3.5%	\$236,500	\$271,250	14.6%
ASPLEY	\$347,250	\$355,000	2.2%	na	na	na
AUCHENFLOWER	\$540,500	\$529,500	-2.0%	\$338,000	\$285,000	-15.6%
BALD HILLS	\$265,375	\$280,000	5.5%	na	na	na
BALMORAL	\$480,000	\$580,000	20.8%	\$288,000	\$363,200	26.1%
BANYO	\$275,000	\$310,000	12.7%	na	na	na
BARDON	\$490,000	\$500,000	2.0%	na	na	na
BELLBOWRIE	\$360,000	\$367,000	1.9%	na	na	na
BELMONT	\$380,000	\$417,750	9.9%	na	na	na
BOONDALL	\$314,250	\$290,000	-7.7%	na	na	na
BOWEN HILLS	na	na	na	\$325,750	\$335,000	2.8%
BRACKEN RIDGE	\$305,000	\$307,500	0.8%	na	na	na
BRIDGEMAN DOWNS	\$533,500	\$570,000	6.8%	na	na	na
BRIGHTON	\$294,500	\$299,500	1.6%	na	na	na
BRISBANE CITY	\$420,000	\$477,500	13.6%	\$394,500	\$410,000	3.9%
BROOKFIELD	\$752,000	\$817,500	8.7%	na	na	na
BULIMBA	\$687,500	\$735,000	6.9%	na	na	na
CALAMVALE	\$362,500	\$390,750	7.7%	na	na	na
CAMP HILL	\$417,000	\$437,500	4.9%	\$220,000	na	na
CANNON HILL	\$346,000	\$370,000	6.9%	na	\$340,000	na
CARINA	\$350,000	\$358,000	2.2%	na	\$358,000	na
CARINA HEIGHTS	\$352,000	\$385,000	9.3%	\$370,000	\$382,000	3.2%
CARINDALE	\$475,000	\$516,500	8.7%	na	na	na
CAROLE PARK	\$156,500	\$170,500	8.9%	na	na	na
CARSELDINE	\$362,900	\$375,900	3.5%	na	na	na
CHAPEL HILL	\$455,500	\$520,250	14.2%	na	na	na
CHELMER	\$485,000	\$680,000	40.2%	na	na	na
CHERMESIDE	\$340,000	\$335,000	-1.4%	\$265,000	\$290,000	9.4%
CHERMESIDE WEST	\$307,250	\$337,500	9.8%	na	na	na
CLAYFIELD	\$637,500	\$690,000	8.2%	\$250,000	\$246,500	-1.4%
COOPERS PLAINS	\$275,000	\$310,000	12.7%	\$237,250	na	na
COORPAROO	\$450,000	\$430,000	-4.4%	\$245,000	\$249,500	1.8%
CORINDA	\$413,750	\$393,750	-4.8%	\$191,500	\$237,500	24.0%
DARRA	\$237,500	\$242,500	2.1%	na	na	na
DEAGON	\$261,000	\$265,000	1.5%	na	na	na
DOOLANDELLA	\$265,000	\$272,500	2.8%	na	na	na
DREWVALE	\$322,500	\$358,000	11.0%	na	na	na
DURACK	\$250,000	\$250,000	0.0%	na	na	na
DUTTON PARK	\$435,000	\$508,000	16.7%	na	na	na
EAST BRISBANE	\$434,000	\$440,000	1.3%	\$235,000	\$253,000	7.6%
EIGHT MILE PLAINS	\$400,000	\$434,400	8.6%	\$233,500	\$250,000	7.1%
ENOGGERA	\$368,750	\$390,000	5.7%	\$220,500	\$237,500	7.7%
EVERTON PARK	\$342,500	\$335,500	-2.0%	\$231,500	\$249,750	7.8%
FAIRFIELD	\$380,000	\$455,000	19.7%	na	na	na
FERNY GROVE	\$356,500	\$371,000	4.1%	na	na	na

Suburb	HOUSES			UNITS		
	Sep 2005 Median	Sep 2006 Median	% change	Sep 2005 Median	Sep 2006 Median	% change
Brisbane Area (Cont.)						
FIG TREE POCKET	\$472,508	\$610,000	29.1%	na	na	na
FITZGIBBON	\$296,250	\$311,500	5.1%	na	na	na
FOREST LAKE	\$280,000	\$302,750	8.1%	na	na	na
FORTITUDE VALLEY	na	na	na	\$305,000	\$315,000	3.2%
GAYTHORNE	\$363,000	\$415,250	14.3%	\$210,000	\$260,000	23.8%
GEEBUNG	\$307,300	\$316,000	2.8%	na	na	na
GORDON PARK	\$420,000	\$445,000	5.9%	\$226,000	\$257,500	13.9%
GRACEVILLE	\$455,000	\$395,000	-13.1%	na	na	na
GRANGE	\$432,500	\$465,000	7.5%	na	na	na
GREENSLOPES	\$380,000	\$442,000	16.3%	\$248,500	\$250,000	0.6%
GUMDALE	\$835,000		58.6%	na	na	na
HAMILTON	\$800,000	\$950,000	18.7%	\$346,250	\$320,000	-7.5%
HAWTHORNE	\$600,000	\$615,000	2.5%	\$282,000	\$325,000	15.2%
HEATHWOOD	\$335,000	na	na	na	na	na
HEMMANT	\$300,000	\$335,000	11.6%	na	na	na
HENDRA	\$460,000	\$590,000	28.2%	na	na	na
HIGHGATE HILL	\$545,000	\$539,000	-1.1%	\$310,000	\$350,000	12.9%
HOLLAND PARK	\$358,500	\$380,000	5.9%	na	na	na
HOLLAND PARK WEST	\$340,000	\$350,000	2.9%	\$242,500	\$250,000	3.1%
INALA	\$195,000	\$202,000	3.5%	na	na	na
INDOOROOPILLY	\$522,500	\$560,000	7.1%	\$286,000	\$310,000	8.3%
JAMBOREE HEIGHTS	\$310,000	\$319,000	2.9%	na	na	na
JINDALEE	\$325,000	\$368,850	13.4%	na	na	na
KANGAROO POINT	\$441,500	\$600,000	35.9%	\$390,000	\$410,149	5.1%
KARANA DOWNS	\$335,000	\$316,500	-5.5%	na	na	na
KEDRON	\$330,000	\$370,000	12.1%	\$213,000	\$234,500	10.1%
KELVIN GROVE	\$445,000	\$462,500	3.9%	\$260,000	\$285,500	9.8%
KENMORE	\$380,000	\$410,000	7.8%	na	na	na
KENMORE HILLS	\$557,500	\$540,000	-3.1%	na	na	na
KEPERRA	\$292,000	\$302,000	3.4%	na	na	na
KURABY	\$400,500	\$411,000	2.6%	na	na	na
LAKE MANCHESTER	na	na	na	na	na	na
LOTA	\$353,250	\$385,000	8.9%	na	na	na
LUTWYCHE	\$366,500	\$425,000	15.9%	\$226,000	\$242,000	7.1%
MACGREGOR	\$363,750	\$380,000	4.4%	na	\$365,000	na
MANLY	\$481,500	\$432,500	-10.1%	\$308,500	na	na
MANLY WEST	\$338,000	\$375,000	10.9%	\$237,000	na	na
MANSFIELD	\$325,000	\$365,000	12.3%	\$370,000	na	na
MCDOWALL	\$408,000	\$425,000	4.1%	na	na	na
MIDDLE PARK	\$385,000	\$380,500	-1.1%	na	na	na
MILTON	\$500,000	\$490,000	-2.0%	\$474,250	\$365,000	-23.0%
MITCHELTON	\$310,000	\$356,500	15.0%	\$325,000	\$282,000	-13.2%
MOGGILL	\$388,850	\$395,000	1.5%	na	na	na
MOOROOKA	\$329,000	\$345,000	4.8%	\$210,000	\$230,000	9.5%
MORNINGSIDE	\$368,500	\$431,000	16.9%	\$264,500	\$327,000	23.6%
MOUNT CROSBY	\$350,000	\$386,500	10.4%	na	na	na
MOUNT GRAVATT	\$322,500	\$349,000	8.2%	na	na	na
MOUNT GRAVATT EAST	\$340,000	\$357,500	5.1%	na	na	na
MOUNT OMMANEY	\$550,000	\$701,500	27.5%	na	na	na
MURARRIE	\$390,000	\$360,000	-7.6%	na	na	na
NEW FARM	\$765,000	\$827,500	8.1%	\$352,500	\$351,000	-0.4%

Median house and unit prices Continued from page 3

Suburb	HOUSES			UNITS		
	Sep 2005 Median	Sep 2006 Median	% change	Sep 2005 Median	Sep 2006 Median	% change
Brisbane Area (Cont.)						
NEWMARKET	\$425,000	\$460,000	8.2%	\$259,000	\$279,000	7.7%
NEWSTEAD	\$900,000	\$710,000	-21.1%	\$369,885	\$446,500	20.7%
NORMAN PARK	\$425,000	\$472,750	11.2%	na	\$325,000	na
NORTHGATE	\$337,500	\$320,000	-5.1%	\$210,000	\$236,500	12.6%
NUDGEE	\$285,000	\$285,500	0.1%	na	na	na
NUNDAH	\$374,000	\$399,000	6.6%	\$230,500	\$270,000	17.1%
OXLEY	\$290,000	\$331,750	14.3%	na	na	na
PADDINGTON	\$520,375	\$553,500	6.3%	\$280,000	\$291,000	3.9%
PARKINSON	\$364,900	\$369,800	1.3%	na	na	na
PULLENVALE	\$805,000	\$881,500	9.5%	na	na	na
RED HILL	\$474,000	\$488,000	2.9%	\$297,000	\$310,000	4.3%
RICHLANDS	\$285,000	\$308,000	8.1%	na	\$265,000	na
RIVERHILLS	\$287,500	\$320,000	11.3%	na	na	na
ROBERTSON	\$494,000	\$576,000	16.6%	na	na	na
ROCKLEA	\$225,000	\$261,000	16.0%	na	na	na
RUNCORN	\$293,000	\$307,000	4.7%	\$220,000	\$210,000	-4.5%
SALISBURY	\$310,000	\$325,000	4.8%	na	\$375,000	na
SANDGATE	\$337,500	\$332,500	-1.4%	na	na	na
SEVEN HILLS	\$413,750	\$466,600	12.7%	na	na	na
SEVENTEEN MILE ROCKS	\$367,000	\$505,000	37.6%	na	na	na
SHERWOOD	\$431,000	\$530,000	22.9%	na	\$293,500	na
SHORNCIFFE	\$375,000	\$454,775	21.2%	na	na	na
SINNAMON PARK	\$412,000	\$430,000	4.3%	na	na	na
SPRING HILL	\$520,000	\$682,500	31.2%	\$227,000	\$257,500	13.4%
ST LUCIA	\$659,000	\$671,500	1.8%	\$288,750	\$342,500	18.6%
STAFFORD	\$299,000	\$328,500	9.8%	na	na	na
STAFFORD HEIGHTS	\$316,500	\$352,000	11.2%	na	na	na
STRETTON	\$472,500	\$510,000	7.9%	na	na	na
SUNNYBANK	\$380,000	\$376,000	-1.1%	na	\$250,000	na
SUNNYBANK HILLS	\$339,800	\$358,500	5.5%	na	na	na
TAIGUM	\$320,000	\$337,500	5.4%	na	na	na
TARINGA	\$510,000	\$594,000	16.4%	\$259,000	\$296,000	14.2%
TARRAGINDI	\$375,000	\$400,000	6.6%	na	na	na
THE GAP	\$381,250	\$395,000	3.6%	na	na	na
TINGALPA	\$297,500	\$325,000	9.2%	na	na	na
TOOWONG	\$421,000	\$475,000	12.8%	\$276,000	\$306,800	11.1%
UPPER KEDRON	\$407,000	\$395,000	-2.9%	na	na	na
UPPER MOUNT GRAVATT	\$309,500	\$325,000	5.0%	\$257,000	\$351,000	36.5%
VIRGINIA	\$310,000	\$330,000	6.4%	na	na	na
WAKERLEY	\$425,375	\$405,000	-4.7%	na	na	na
WAVELL HEIGHTS	\$339,000	\$355,000	4.7%	na	na	na
WEST END Brisbane	\$484,500	\$560,000	15.5%	\$296,500	\$314,000	5.9%
WESTLAKE	\$441,000	\$455,000	3.1%	na	na	na
WILSTON	\$495,000	\$534,500	7.9%	na	na	na
WINDSOR	\$370,000	\$450,000	21.6%	\$230,000	\$243,000	5.6%
WISHART	\$370,000	\$385,000	4.1%	\$303,000	na	na
WOOLLOONGABBA	\$345,500	\$455,000	31.6%	\$255,000	\$265,500	4.1%
WOOLLOOWIN	\$445,250	\$523,750	17.6%	\$232,000	\$278,500	20.0%
WYNNUM	\$345,000	\$393,000	13.9%	\$345,000	\$235,000	-31.8%
WYNNUM WEST	\$312,500	\$338,250	8.2%	na	na	na
YEERONGPILLY	\$435,000	na	na	na	na	na
YERONGA	\$487,650	\$511,000	4.7%	\$247,500	\$315,000	27.2%
ZILLMERE	\$251,500	\$279,000	10.9%	\$197,500	\$265,000	34.1%

Suburb	HOUSES			UNITS		
	Sep 2005 Median	Sep 2006 Median	% change	Sep 2005 Median	Sep 2006 Median	% change
Caboolture Area						
BANKSIA BEACH	\$450,000	\$415,000	-7.7%	na	\$305,000	na
BEACHMERE	\$266,000	\$265,000	-0.3%	na	na	na
BELLARA	\$290,000	\$270,000	-6.8%	\$256,000	\$250,000	-2.3%
BELLMERE	\$291,000	\$305,000	4.8%	na	na	na
BONGAREE	\$305,000	\$317,500	4.1%	\$242,500	\$255,000	5.1%
BURPENGARY	\$333,750	\$325,000	-2.6%	\$241,500	\$249,000	3.1%
CABOOLTURE	\$230,000	\$235,000	2.1%	\$131,500	\$152,500	15.9%
CABOOLTURE SOUTH	\$212,613	\$195,000	-8.2%	na	na	na
DECEPTION BAY	\$237,500	\$245,000	3.1%	\$235,000	\$211,500	-10.0%
ELIMBAH	\$380,000	\$356,000	-6.3%	na	na	na
MORAYFIELD	\$280,000	\$270,000	-3.5%	\$162,475	na	na
NARANGBA	\$332,000	\$341,000	2.7%	na	na	na
NINGI	\$295,000	\$370,000	25.4%	na	na	na
SANDSTONE POINT	\$313,750	\$327,900	4.5%	na	na	na
UPPER CABOOLTURE	\$300,000	\$307,000	2.3%	na	na	na
WAMURAN	\$370,000	\$465,000	25.6%	na	na	na
WOODFORD	\$252,500	\$287,250	13.7%	na	na	na
WOORIM	\$375,000	\$486,500	29.7%	na	\$435,000	na
Pine Rivers Area						
ALBANY CREEK	\$360,000	\$364,250	1.1%	na	na	na
ARANA HILLS	\$330,000	\$339,000	2.7%	na	na	na
BRAY PARK	\$250,000	\$269,500	7.8%	na	na	na
BRENDALE	na	na	na	\$212,500	\$212,000	-0.2%
CASHMERE	\$455,000	\$440,000	-3.2%	na	na	na
DAKABIN	\$320,000	\$340,000	6.2%	na	na	na
DAYBORO	\$372,000	\$412,000	10.7%	na	na	na
EATONS HILL	\$392,500	\$415,000	5.7%	na	na	na
EVERTON HILLS	\$310,000	\$327,500	5.6%	na	na	na
FERNY HILLS	\$303,750	\$330,000	8.6%	na	na	na
GRIFFIN	\$306,400	\$321,000	4.7%	na	na	na
HIGHVALE	\$593,000	\$642,000	8.2%	na	na	na
JOYNER	\$447,000	\$295,000	-34.0%	na	na	na
KALLANGUR	\$249,000	\$260,000	4.4%	na	\$250,000	na
KURWONGBAH	\$369,000	\$400,000	8.4%	na	na	na
LAWNTON	\$246,000	\$255,000	3.6%	\$183,000	\$248,750	35.9%
MANGO HILL	\$332,000	\$364,900	9.9%	na	na	na
MURRUMBA DOWNS	\$310,000	\$325,000	4.8%	\$267,000	\$273,500	2.4%
PETRIE	\$263,500	\$286,500	8.7%	na	na	na
SAMFORD VALLEY	\$603,000	\$639,500	6.1%	na	na	na
SAMFORD VILLAGE	\$390,000	na	na	na	na	na
STRATHPINE	\$242,250	\$256,250	5.7%	na	\$245,000	na
WARNER	\$350,000	\$378,000	8.0%	na	na	na

Prepared by PRDnationwide Research.

Source: RP Data

Medians are based on six-month periods ending Sept-05 and Sept-06.

Suburbs not listed were omitted due to insufficient sales data for the period.

na = less than 10 sales reported for the period.

Warning and Disclaimer:

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