

TIFFEN & CO

the mortgage detective

SUMMER EDITION | 2010

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Welcome to the summer edition of our newsletter

The end of 2010 is in sight and the speed in which this year has passed us by is astounding. Now is the time that our thoughts turn to Christmas and how we are going to survive the 'silly season'. While the essence of Christmas is sharing, this doesn't mean running your bank account dry. With a little planning and restraint you can stay debt-free and still keep the spirit of Christmas alive. Read more in our article 'Smart Xmas Spending'.

We have recently created a Facebook page. By becoming a Tiffen & Co 'fan' you will receive regular updates on what is occurring in the finance industry, interest rate changes, tips on home loan products, updates on our team and much more. To join click on the Facebook icon on our website – go to www.tiffenandco.com

Over the last few months Tiffen & Co has been recognised in several national industry awards. Firstly, we were ranked 10th in the Top 25 Mortgage Brokerages in Australia according to a report conducted by The Adviser magazine. This is a major achievement considering our company's size in comparison to other companies inducted into this prestigious list. Secondly we were named finalists in the Australian Mortgage Awards held in Sydney in September. And finally, Gerard Tiffen and David Friend were ranked 8th and 20th respectively in the Mortgage Professional Australia's (MPA) Top 100 Brokers for 2010. We are very proud of our recent achievements and would like to thank all of our clients for their ongoing support.

We would also like to take this opportunity to wish you and your family a Merry Christmas and a safe and prosperous New Year. We look forward to working with you in 2011!

Alison Whittle
Gerard Tiffen



As mortgage brokers, we're here to make a difference.

We understand the mortgage broking industry, and we understand people.

PROPERTY VALUATION VS. PROPERTY APPRAISAL - what's the difference?



You've had your property appraised by a real estate agent, and you're thrilled with their selling estimate - until your valuation report comes back, and it's considerably lower than the agent's estimate. So what is your property really worth? It's an issue that real estate agents, lenders and mortgage brokers deal with on a daily basis - so, what is the difference between a valuation and an appraisal?

VALUATIONS

A formal valuation can only be conducted by a qualified valuer who has undertaken prescribed education and training in this field, to ensure that they take into account all of the features and issues relating to a particular property such as:

- Location/aspect
- Building structure and condition
- Any building/structural faults
- Features of the home
- Caveats or encumbrances on the property
- Local Council zoning

APPRAISALS

Appraisals are intended purely as a guide, and can be carried out by real estate professionals. Appraisals are estimated by knowledge of the local area and recent sale prices, and they should only ever be used as an estimate of price. They are not definitive and have no legal standing. It is rare to charge a fee for appraisals and they are generally only requested by potential vendors to get a 'feel' for the local market.

If you're planning to sell your home or investment property, an appraisal from one or more qualified real estate agents can provide you with an indication of what your property is likely to sell for.

Using your home equity to **BORROW!**

The more you pay off your home loan, the more of the property you own or the more 'equity' in the property you build up. With a more flexible banking system these days, it is possible to borrow against this equity for further investment, a second property, shares etc. The advantage of borrowing against this equity rather than taking out a personal, investment or business loan is that the interest rate will invariably be lower - the better the asset you put up as collateral, the better the terms a lender will offer. Nothing beats bricks and mortar security (in this case, your home).

Pay off your loan **quicker** with fortnightly or weekly payments!

Dividing your minimum monthly repayment into two fortnightly or four weekly payments can reduce the term of your loan in two ways:

1. As there are more than two fortnights or four weeks in every month, dividing your original monthly repayment into two or four means you actually pay more over the course of a calendar month.
2. When interest is calculated daily, the more frequent repayments result in less interest being charged to your loan over the course of a month.

It is important to remember that when you request fortnightly or weekly repayments make sure you specify to halve or quarter the monthly repayment accordingly. If you would like any assistance, please call us on 02 6260 7880 or pop into our office in Kingston!

SMART XMAS SPENDING

Spend big in the lead up to Christmas then pay for it in the New Year! It's an all too common habit that many of us fall into, leaving us in serious debt by the time January rolls around.

Start thinking now about ways to practice safe Christmas spending and you may well avoid that New Year financial hangover. The festive season brings with it many celebrations and dollar spending opportunities, but there's no reason you can't enjoy yourself without overdoing it.

LIMIT CREDIT

Know that you have the money before you make a purchase. Pay in cash or lay-by your gifts so that you can keep a handle on where your money is being spent. If you have to pay by credit, try to use only one card.

AVOID STORE CARDS

Store cards may offer convenience and discounts but they don't come cheap. Interest rates can be up to seven percentage points higher than alternative cards.



RESIST IMPULSE SHOPPING

Before you hit the shops, make a list of what you need. Allow plenty of time to do your Christmas shopping to avoid last minute expensive purchases. Next year why not completely avoid the Christmas rush by grabbing bargains as you see them throughout the year and packing them away. In fact, the best time to begin Christmas shopping is the day after Christmas!

MAKE A BUDGET

Take a look at what you spent last year and plan your party, gift-giving and decorating costs accordingly. Also set aside money to repay bills and credit in January. It's true that sticking to a budget can be difficult when you're in a celebratory mood, but you'll thank yourself in the long run.

SET A LIMIT

An important part of budgeting is to set spending limits. If you're having a night out or buying a gift, put a dollar limit on your spending.



“The Canberra property market has shown significant returns on good investments over the past 12 months”

ACT PROPERTY MARKET

The ACT and Western Australia are out performing the economies of the other states and territories across Australia, according to Commsec's latest 'State of State Report'. This report compares the economic performance of each state and territory and noted the economies of the ACT and Western Australia were 'outliers' compared to the rest of the nation. According to Commsec Chief Economist Craig James, dwelling starts in the ACT are a massive 72 per cent above the decade average while unemployment is the lowest in the nation and well below what has been regarded as 'normal' for the territory.

The ACT Planning and Land Authority (ACTPLA) data shows an increase of 25.8% in turnover for all residential properties from 530 in August 2010 to 667 in September 2010. Turnover year on year to September 2010 was up by 8.6%.

The average price for all residential properties sold in the ACT increased by 2.3% from \$511,658 in August 2010 to \$523,238 in September 2010. The average price year on year to September 2010 for all residential properties was up by 7.6%.

What does the 'charging' Australian dollar mean for you?

In recent weeks, newspaper headlines have been dominated by stories of the soaring Australian dollar - but what does it really mean for the economy, and what impact does it have on you?

The Australian dollar has strengthened against the US dollar, pacing parity this month. The value of our dollar largely depends on the strength or weakness of the US dollar, as the AUD is viewed as an alternative investment to the greenback. The weakness of the US economy has served to drive our dollar higher. Our rebounding economy, complete with seven RBA interest rate increases in the last 12 months has also helped the Australian dollar rise.

Dr Shane Oliver, Chief Economist and Head of Investment Strategy at AMP, says currencies are "always volatile". While there's no guarantee that our dollar will stay strong, it's highly probable that it will remain at or above the US dollar in the coming months. "Of course, if global growth collapses again, then a plunge back below US\$0.80 would be possible – but this is unlikely."

This is great news if you plan on holidaying in the US any time soon, or if you plan to shop for US goods or services online – there are some whopping bargains to be had.

Getting to know **the team!**

COURTNEY BRILL



First impressions are always important to a business, and none could be better than Courtney!

Courtney has extensive experience in customer service with a strong focus on sales and marketing. She joined the team in October 2009 after returning to Canberra from Queensland. Courtney's bubbly personality & enthusiasm for her role is infectious and she always manages to make those around her feel important.

My first job was... a retail sales assistant at Smarty Pants in Tuggeranong

Something interesting about me is that...

I have been married to Ryan for 3 years. He is the Head Carnivore Keeper (The Lion Tamer!) at the National Zoo and Aquarium....grrrrrr

The last place I travelled to on holiday was... to my second home – the Gold Coast

The last book I read was....The Day After Forever by Erin Skiffington

The CD currently playing in my car is....a 'homemade' mixed CD including U2, Pearljam, Pink and a little 90's dance music!

My ideal Sunday involves...definitely sleeping in, spending time with family, cooking up a storm and being outside!

I like being part of the Tiffen and Co team because.... of the supportive and family atmosphere in our office

My favourite food is.....seafood!!!

MEET THE TEAM



Gerard Tiffen



Alison Whittle



David Friend



Gerard Heffernan



Stephanie Brennan



Tom Leahey



Alison Muir



Tania Bennett



Peter Williams



Patrick Bouquiaux



Alice Dawson



Morgan Skillman



Leisa Robb



Courtney Brill



David Gawthrop