

MORTGAGE
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Mortgage Solutions

NewsBrief

Mortgage and finance tips to help our borrowers move forward

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What's happening at NGA/Nationwest?

By Nathan Gudgeon, Managing Director

We bring you another edition of the "NGA/Nationwest News Brief" packed with information for you.

Whether you own your own residence, an investment property or both, there's a variety of stories in this edition which we hope you'll enjoy.

On page two, we've raised the importance of being cautious with online banking and watching out for fraudsters.

Those of you who own a business and rent your premises currently should read the story on page three about purchasing premises.

We hope you'll find this edition useful and keep NGA foremost in mind should you need any assistance with home or investment finance in the near future.

Change of name/logo

You may not have noticed, but just to let you know that Natwest has now become Nationwest Mortgage Solutions and though it's very similar, our logo has changed accordingly.

Also, Nationwest is in the beginning process of working toward establishing a Nationwest credit card, which we're hoping to be able to launch by the end of the year. Stay tuned for details in coming editions of your "News Brief".

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Note: Photo for illustration purposes only. Actual scooter is red in colour.

Nationwest now at Midland

In April, we opened Nationwest Midland, which is in a temporary location until our permanent premises are completed and ready for us to move in.

Right now you'll find us on the eastern side of Midland Gate Shopping Centre, near the Coles Parcel Pickup area.

In mid-August, we'll be moving to our premises in Midland's banking precinct, next door to the Commonwealth Bank, opposite National Bank and diagonally opposite the ANZ.

Win a motor scooter!

Don't miss out on the chance to win this red "Jolie" scooter from scoota.com.au - a value of up to \$2,000.

All clients who set up new loans through Nationwest Mortgage Solutions or NGA Finance between now and October 31, 2006 will receive an entry into this draw.

The draw will be held on Friday, October 31, 2006 at our Kelmscott offices and the first valid entry drawn will be announced on our website at www.nationwest.com.au and published in the following edition of "News Brief".

Don't let fraudsters scam your bank details over the 'net



Scams that ask consumers for their personal banking details by email have increased significantly and become more sophisticated, prompting the Australian Securities and Investments Commission (ASIC) to issue a consumer warning recently.

Fraudsters use a scam known as 'phishing', whereby they attempt to gain personal information for identity theft purposes, using deceptive email messages that appear to come from legitimate businesses, including banks.

More than one in five of all consumer scam complaints received by ASIC related to phishing in the 2005-06 financial year, with the number of phishing complaints increasing by 25% over the past two financial years.

Tips for Homeowners



Remember, if you've made improvements to your home or purchased new appliances or furnishings, you should re-visit your home insurance policy.

Why would you want insurance that only covers some of your belongings?

Doesn't that sound like a crazy concept? Of course, we understand few people would do this on purpose, but it happens all the time.

Are you renewing the same home contents insurance policy year-after-year, without considering what new belongings you might have accrued in the mean time?

That new plasma TV, piece of jewellery, painting, or even expensive additions to your wardrobe all need to be considered for insurance purposes. What if a fire took

"In the past financial year, we found that scammers used a more personalised approach to request personal details. Emails and website links mirrored legitimate bank websites, and bogus job offers were used to coax people into providing bank account details," ASIC's Executive Director of Consumer Protection, Mr Greg Tanzer said.

Protect yourself by:

- Changing your passwords frequently and using passwords that are hard to guess.
- Ensuring you have anti-virus and anti-spy software on your computer and a personal firewall, and update the software regularly.
- Only logging on to your internet banking from your bank's website.
- Not ever responding to any email that requests your account details and passwords.
- Avoiding using computers in public places such as internet cafes to do your online banking.
- Exiting from your account as soon as you finish your banking.

it all away tomorrow? Would you be comfortable replacing some of these items out of your own pocket?

And don't forget the home itself!

Remember also that your home's structure rises in value each year and so should your home building insurance. This is not in relation to your home's market value, but the cost of rebuilding the entire structure.

Building costs continue to rise year-after-year. So it's a good idea to have your property valued by someone qualified to value for insurance (replacement) purposes or seek the assistance of a quantity surveyor.

Should your home be damaged, your insurance company will consider what percentage of your home's value is insured and will likely cover that percentage of the damage incurred.

The Australian Securities & Investments Commission (ASIC) prepared a detailed report on Getting Home Building Insurance Right in September 2005. It can be accessed at: www.asic.gov.au/asic/asic.nsf/1lkuppdf/ASIC+PDFW?opendocument&key=underinsurance_report_pdf



"My home is worth..."

We've been in this business for many years, and while some things never change, something very important certainly has. It's about your home values.

Over the years, when we would ask clients during a refinance, or when they were looking at selling their home and financing a new one, the majority of people always thought their home was worth thousands more than it really was.

No wonder lending institutions ask for formal valuations, rather than just relying on the owner's estimate!

What's happening now?

For the first time, due to such rapidly rising property values, clients are underestimating their home's value.

If you've been thinking you might have some equity to be able to purchase an investment, a car or to use for any other worthwhile purchase, you might have even more equity than you think!

Get rid of those high interest debts

While interest rates have risen .25%, they're certainly much better than personal loan or credit card rates, so now might be the time to blend your debts under one lower rate.

Keep in mind, since you would likely be saving a few hundred dollars in payments per month by doing so, it's a smart financial move to make some extra payments when you can.

Call us now to discuss your own financial situation and find out the real value of your home.

Is it time to purchase your business's premises?



It might be time to talk about purchasing your own business premises.

A time comes for most business owners when they consider whether they should continue leasing their current premises, enquire about purchasing them, or purchase and relocate to their own new space.

We believe a business owner should purchase their premises if the right circumstances exist. Here are some factors to help you decide...

Is your business thriving in its current location?

If your business has functioned well for a substantial period of time in its current location, it may be worth securing your space.

Would mortgage repayments on your current property or a new one be roughly the same as your lease payments?

This factor is important for your business's cash flow. If your loan repayments are similar to your current lease payments then it is more economically viable to purchase your own premises. Although there would be costs relating to moving premises (stamp duty, settlement fees, cost of phones, etc) the future capital gains from owning your premises may be well worth it.

Have you weighed all of the costs involved in moving?

Depending on your type of business and equipment, there may be large costs involved in relocating. For example, if you have a lot of heavy-duty equipment and machines, it could cost thousands to dismantle and relocate them.

Are you growing or likely to grow out of the location within 5 years?

If you're considering purchasing your existing premises, are you likely to grow out of it in less than 5 years? If it's a new location you're looking at, you would want it to be sufficient for 5-10 years.

New home starts in WA continue to rise strongly in early 2006



Are you one of the many West Aussies planning to build this year?

New housing construction is still on fire in WA. The March quarter brought a significant increase to new home starts, providing further confirmation of the buoyant conditions in the west.

According to the latest Australian Bureau of Statistics figures, new home starts in Western Australia increased by 7.0% to 6,367, up over 13% from the March quarter last year. Over the entire

12 months to March 2006 starts were up by 10.3% to a level of 24,716.

Detached house starts increased in the March 2006 quarter to 5,222, a level 20.7% higher than a year earlier. Multi-unit starts were down by 25.3% to 772, from the March 2005 quarter level.

Australia's peak building industry body, HIA, said that today's figures were an encouraging update on the new housing industry.

HIA's Western Australia Executive Director John Dastlik, said that the hefty rise would help deliver strong growth for housing starts in the 2005-06 financial year.

"A continued strength in detached houses has seen dwelling commencements remain strong in early 2006," Mr Dastlik said.

"This situation for the March quarter is certainly a positive update for the housing industry," Mr Dastlik said.

"Dwelling commencements are forecast to increase by 8% in 2005-06, a stronger result than previously envisaged. This is contrary to most other parts of the country," he added.

Starts were up by 42% in the ACT, 41% in New South Wales, 29% in South Australia, 8% in Tasmania, and 1% in Victoria. Starts fell by 8% in Queensland and were down by 47% in the Northern Territory (24% lower than a year earlier).

What Aussies have planned for this year...

A recent Housing Industry Association survey of 2,300 Western Australians found:

- 35% have recently bought or intend to buy a brand new home over the next year, well above the national average of 29%.
- Of those buying a new home, 74% intend to live in it, while 26% intend to purchase it as an investment property.
- 36% have recently renovated or intend to renovate their home over the next year.
- The average cost of renovations is expected to be between \$10,000 and \$20,000.



Team work!

At one point during a game, the coach said to one of his young players, "Do you understand what cooperation is? What a team is?"

The little boy nodded in the affirmative.

"Do you understand that what matters is whether we win together as a team?"

The little boy nodded yes.

"So," the coach continued, "when a call is made, you don't argue or curse or attack the umpire. Do you understand all that?"

Again the little boy nodded.

"Good," said the coach. "Now go over there and explain it to your parents."



Looking for somewhere to spend your next holiday?

Spend your vacation lazing about in this two-storey, two bedroom, one bathroom, riverfront Kalbarri villa.

See www.kalbarrivilla.com.au or contact Nationwest for details.



"NGA News Brief" is produced by NGA Mortgage Solutions as a service to the clients. Should you require further information on any topic relating to Finance matters, our team will be delighted to assist.



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