

New investment property website lets your mouse do the walking

Finally, a dedicated investment property website that allows visitors to browse, evaluate, compare and secure investment properties from around Australia with plans to present properties from around the world.

LandlordCentral.com.au provides comprehensive information on every property listed and allows investors to shortlist and compare properties.

There is also a real-time performance forecast and risk assessment calculator that enables clients to customise the evaluation of each property according to their own individual circumstances. The calculator analyses the capital growth, cash flows and tax implications for any investment property and provides instant feedback on the projected after tax cost and rate of return.

And if you need some guidance on the ins and outs of investing in property, see the **Landlord University**.

Supported by world-renowned real estate educator **Dr Dolf de Roos**, the Landlord University is a 6-step process



designed to motivate, coach, educate and inspire you to succeed in building wealth through property.

Property investors will also find useful resources and links in the **Landlord Toolkit**.

Visitors to the website can become a FREE member of LandlordCentral.com.au and get access to the **Best of Discussions with Dolf**, a selection of property mentoring videos by Dr Dolf de Roos.

Plus the first 50 Catalyst Finance clients to email marnie@catalystfinance.com.au will receive a complimentary copy of *Your Investment Property* magazine featuring Dr Dolf de Roos.

LandlordCentral.com.au

Disclaimer: LandlordCentral are not affiliated with Catalyst Finance Solutions or any of our staff.

Give Me a Home Amongst The Gum Trees...

Either we have very stressed clients in need of a break or you all just enjoy a good south west getaway... We have been overwhelmed by the response to our Hamelin Bay holiday home and we're delighted to be able to offer you such a wonderful retreat from the hustle and bustle of everyday life.

We sincerely thank all who have booked and enjoyed their time away and would suggest if you're interested in booking your next getaway at the property please call Cassie Rigby as soon as possible on 0410 655 078 as our booking sheet is filling up very quickly.



Remember if any of your details have changed or you're planning on moving in the future, please let us know so we can amend our database. If you no longer wish to receive our newsletters please let Marnie know and she'll remove you from our mailing list.

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Unit 1, The Ascot Centre, 152 Great Eastern Highway, Ascot WA 6104
PO Box 59, Cloverdale WA 6985 • Phone: 61 8 9477 4188 • Fax: 61 8 9477 4199
Website: www.catalystfinance.com.au • ABN 69 025 150 953

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Autumn 2007 - Edition 9



A Client for Life...

Autumn is Coming...

Ahhhh.... Autumn – a fabulous time of year to enjoy an outdoor picnic, plan a fabulous Easter getaway with your family, tend to your stressed garden after our long hot summer and, of course, turn your clocks back an hour on the 25th of this month.

Love it or hate it, Daylight Savings was certainly a talking point over the summer... but either way all of us at Catalyst hope you enjoyed your very warm Summer 06/07 holidays and your curtains didn't fade too much!

We Have Expanded!

As part of an exciting partnership agreement with Packaged Property Investments (PPI), Catalyst Finance has opened a satellite office in Osborne Park.

Located within the offices of PPI at Suite 2, 1 Sangiorgio Court Osborne Park, the new office will be headed up by Craig Wilschefski, our new Home Loan Consultant.

We are delighted to welcome Craig to our team. He has over 10 years experience within the finance and banking industry. He spent six years with Suncorp and has also worked as a Mobile Lender for Queensland Country Credit Union and a Business Development Manager for Bankwest.

Craig's main role will be to assist PPI clients obtain the right finance solution.



Footy Tipping is on Again!!!

Think you know all about the Big Game? Fancy yourself as a bit of an armchair expert? Well put all that expertise to good use and join in Catalyst's fabulous footy tipping competition.

After the overwhelming success of last year's footy tipping competition we are offering our clients another chance to play and win this season.

Fabulous spot prizes will be offered throughout the season and this year's Grand Prize is 4 nights accommodation at our beautiful Hamelin Bay property (check out the flyer enclosed in our last newsletter or call Marnie on 9477 4188 for a copy).

For those keen to try their luck, just email our Umpire, Cass on cassie@catalystfinance.com.au before the season kicks off on March 30th to register your interest. Participants will be emailed the Leader Board each Monday so you can see how well you're progressing up the ladder!

Good luck!

Our Little Clan is Growing...

To ensure we continue to provide our clients with the very best service, we have expanded our little team to include two fabulous new members!

It gives us great pleasure to welcome **Craig Wilschefski** who joined us in January (see his introduction in our "We Have Expanded" article) and **Raechel Slekowetz** who joined us in February.

Raechel has been employed to work alongside Helen Lemmey in the Loans Processing area.



A warm welcome to Craig and Rachel!

Her background in finance was firmly established over 16 years with NAB working in a variety of roles including Teller, Private Banking Assistant and Team Leader! Being such a multi-tasker means our clients will be well catered for.

Winners are Grinners!

Congratulations to Daniel Oliphant, the winner of our Christmas Word Sleuth. For those of you who gave it a go, you would know the answer was MERRY CHRISTMAS HAPPY NEW YEAR.

Congratulations also go out to David Ahern who entered our 'update and win' competition. He wins 2 tickets to Hoyts to see the latest flicks. Enjoy!

Thank you to all who participated in our database update. And don't

forget, if your planning on changing, or have changed your details please let Marnie know so we can continue to provide you with the very best service.

Autumn Riddle...

A man wanted to get into a members only club so he hid and watched the guard at the door of the club house.

The guard said a number to each member as they approached, and the member would respond with a number of their own.

If the member responded with the correct number they were let in. If they responded incorrectly they were thrown out.

One member came up to the door, the guard said twelve, and the member responded with six and was let in.

Another member came to the door, the guard said six and the member responded with three and was let in.

Believing he had heard enough, the man went up to the guard.

The guard said ten, and the man said five, but was not let in. What should the man have said?

.....

If you think you know the answer be the first to email Marnie on marnie@catalystfinance.com.au and you could win a \$50 Liquor Barons or Bunnings Voucher!

Tax Time is Approaching...

by Michael Adams from Adams Johnston Accountants

The year seems to be flying by and I thought it would be an opportune time to remind people with investment properties that they should start thinking about their tax planning now (I can hear the groans!!!).

In most cases the major cost associated with an investment property is interest on the loan and to maximise your deductions you may consider prepaying interest (if your cash flow allows it). If so, you should speak to your mortgage broker and ensure that you give them plenty of time to arrange the necessary paperwork as the banks are always snowed under in June. As I mentioned in my previous article, to ensure that you maximise your tax deductions you should have a quantity surveying company prepare a depreciation schedule on your property as this will allow a substantial tax deduction with no additional cash outlay.

With interest rates going up over the past 6 months you may be finding it a little tighter to meet the payments on the loan for your investment property. If this is the case you should consider lodging a PAYG Withholding Variation with the ATO. By doing this the ATO will allow your employer to withhold less tax from your pay and hence give you more cash in your hand. This way you receive more each pay rather than

having to wait for your tax refund.

The other suggestion that I'd make is that to keep the cost of preparing your tax return as low as possible you should ensure that you are organised when you go to see your accountant. We don't need to see the receipts (although you do need to keep them) and you can prepare a one page summary of the income and expenses for the property that will provide the necessary information. If you use an estate agent to manage your property they should be able to provide a summary for the year.

Feel free to contact me on 0439909508 if you have any queries in relation to the above.



Use Your Mortgage to Boost Your Super

Excerpts from an article written by Finance Journalist Gillian Bullock

The abolition of tax on superannuation withdrawals once you turn 60 introduces an interesting strategy; you can now use your mortgage to bump up your super contributions.

By switching your mortgage from a principal and interest (P & I) loan to interest only (IO), you can then salary-sacrifice the amount you will save in repayments into your super. The end result might see you substantially better off.

Take Gerry, aged 50, who is planning on retiring at 60. He earns a salary of \$100,000 and so pays a 41.5% marginal tax rate with an outstanding mortgage of \$100,000.

Currently he is paying \$14,716 pa on his 7.5% P & I mortgage that has another 10yrs to run. If he were to continue with this mortgage, at the end of 10yrs he would owe nothing on the property.

By converting to an IO loan, his repayments would drop by almost half (\$6,676) to \$7,500 per year. If he chose to salary sacrifice this saving into super he would actually be able to contribute \$11,412 per year, as the money would come out of his GROSS salary, and this is the equivalent of \$6,676 pre tax. The \$11,412 would then only be taxed at 15% as a contribution to super.

Assuming this money in super was invested in an Australian equities portfolio yielding a return of 8% per year (3% income; 5% growth), then by the time Tom reaches 60yrs of age, his superannuation benefit from this strategy would have grown to \$146,376.

Tom then draws this money out as a lump sum from his superannuation, tax free, once he has turned 60. He repays the principal on his mortgage, namely \$100,000.

He will have accrued an extra \$46,376, after all taxes with no impact on his disposable income during this period by using this strategy.

Of course there are risks & limitations with such a strategy, a few of which are:

Risk 1: Legislation of Future Governments

There is an inherent risk associated with this strategy in regards to accessing a tax-free lump sum. For example if future governments were to cap lump sums that you could take out of your super, then you could be taxed on the amount you withdraw. The closer you are to 60, the safer it is.

Risk 2: Performance of Equity Markets

Another risk is the performance of equity markets, if they were to

experience a string of negative returns. It's estimated that a 0.6% return would allow you to break even so it unlikely that this strategy would fail.

Risk 3: Interest Rate Variations

Escalating interest rates might also prove a problem, although you could consider a fixed rate to take away any uncertainty, depending on the remaining term on the mortgage.

Risk 4: Interest Only Loan Terms

Nearly all lenders limit the interest only period for a mortgage – some for 5 yrs & some for 15 yrs or even longer. To carry out this strategy you would need to speak to your bank or mortgage broker about the lender requirements which may limit the effectiveness of the end result.

For many, the issue of extending debt through to retirement is a complete change of mindset. An interest only loan may sit uncomfortably with those who like to see the amount they owe on their home reducing over time. But once you recognise the advantages of getting as much money into super as possible it does appear to be a winning solution.

Please seek your own professional advice from a financial planner before undertaking any such strategy.

An Egg-celent Recipe for Chocaholics!!

Every year it seems the department stores drag out their Easter eggs earlier and earlier...this year they started appearing in late January!... Which is not a good thing when most of us are still trying to forget all the food we've consumed during the festive season!

But now that Easter is only a few weeks away, why don't you impress your kids, your work colleagues, family or yourself by creating your own Easter fun with yummy homemade filled chocolate eggs.

Ingredients

- 1 x new paintbrush
- 200g milk chocolate melted

- Plastic Easter egg moulds
- Mini lollies (i.e mini M&Ms or smarties)

Method

1. Paint a thin layer of chocolate inside the egg moulds using the paint brush.
2. Chill in the refrigerator to set the chocolate (approx 5 mins).
3. Paint a second layer of chocolate on the moulds and reserve the remaining chocolate.
4. Chill again to set.
5. Working quickly, gently remove the chocolate from the plastic moulds and fill half of them with 1/2 teaspoon of the mini lollies.



6. To join the egg together, paint the remaining chocolate around the rim of the egg and press together lightly.
7. Chill in the fridge to set.

If you'd like to contribute a winter warmer recipe for our next edition, email Marnie on marnie@catalystfinance.com.au and your favourite recipe could be read and enjoyed by all our clients!