



WELCOME TO OUR

Monthly Newsletter



... and thank you for being a part of our community! We've had a busy month, meeting with some fantastic professionals within the industry, welcoming wonderful new clients and even squeezing in some professional photos for our team (needless to say, we won't be getting into modelling anytime soon).

In this edition, we're excited to introduce our 'Connect Corner' segment. Each newsletter, we'll feature a different property/finance professional within this space, and pick their brain to provide you with some key insights/education, whilst also getting to know more about them and their business.

We'll sneak in one more newsletter before the year's end - a bit of a Christmas edition to round off a fantastic 2024.

Happy reading!

↓ In this newsletter you will find:

Key news from the month of November, a highlighted case study and our first 'Connect Corner'.



- **RBA holds cash rate at 4.35%** - At their November meeting, the RBA left the cash rate unchanged at 4.35%, with underlying inflation remaining too high. (source: RBA)
- **Potential impact of Trump presidency on Australian interest rates** - Trump's recent victory in the presidential election could result in delayed interest rate cuts in Australia, as it's predicted that Trump's policies toward boosting US inflation may also impact global inflation. (source: APU)
- **Incoming student cuts unlikely to ease rental pressures** - the international student visa restrictions set to be implemented in Australia in 2025 will likely only save the average metropolitan renter less than 1% in rent. (source: PCA)

Case Study: The Aesthetic vs. the Analytical

This month on our socials, we shared a case study from one of our lovely clients, which highlights some key learnings when investing in property.

For some context, our clients purchased the property pictured above on the left on their own in 2021, keeping their search close to home and going for aesthetic appeal. This resulted in purchasing right to their borrowing limit and overpaying for the property, which hampered their ability to grow their portfolio until recently. This property has a rental yield of 4.5% which has resulted in higher holding costs and in addition to this, is yet to experience significant growth three years on.

Fast forward to July 2024 and we've assisted them in purchasing the property on the right pictured above. We purchased a more affordable property with lower entry costs, in a fast-growing region and yielding at 5.8%. It may not be as traditionally appealing as the property on the left, however with lower holding costs, higher yields and by purchasing under-market value in a growth location, it's on track to outperform the first property in less than 12 months.

The main takeaways worth highlighting from this case study:

1. **Better-looking or more expensive doesn't necessarily mean better investment.**
2. **Your backyard is not always (and more often isn't) the best area to invest in.**
3. **Going solo may mean you have more control, but a buyer's agent removes the emotion from the purchase, focusing on the data, your budget and goals when investing.**

Market Insights



- **Melbourne home prices experience greatest October growth** - Following six months of falling values, Melbourne's housing market experienced the strongest growth among capital cities at 0.49%. (source: PropTrack)
- **Investor demand stronger than investors "exiting"** - Investor loans are up 18.8% annually, with more first home buyers entering, despite less existing investor activity. (source: CoreLogic)
- **National rental market experiences vacancy spike** - The national vacancy rate rose to 1.36% (highest level since July 2023), however supply is still far below pre-pandemic levels. (source: PropTrack)





Connect Corner

Providing valuable education from other industry professionals each month, helping you make informed investment decisions and stay ahead in the market.

For our first Connect Corner, we've leant on the expertise of **David Hoar** of **Money Saver Home Loans**.



1. **A bit about yourself, your business, where are you based & who do you help?**

I'm based in Newcastle and have been mortgage broking since 2015, though before that we always used brokers for our property purchases, renovations and refinances. Our team includes Lisa (wife) and Damian (son). We help clients all over the country and focus mainly on First Home Buyers, Upgraders and Investors who want to get their first property or to build a portfolio. We post helpful content on FB and Instagram, and Damian has a great podcast, the *Finance and Property Survival Guide* which is on Apple and Spotify. I have a background in accounting, property and marketing so we can provide a more holistic service to clients far beyond just getting the loan.

2. **What's something surprising that can really impact someone's borrowing?**

HELP debt, car loans, personal loans, credit cards, 'Buy now pay later' and poor credit history are things that impact people's borrowing capacity. We encourage everyone to keep an eye on your Credit Report which you can get for free from Equifax at mycreditfile.com.au and to watch their discretionary expenditure.

3. **How do you see the current mortgage landscape evolving over the next 6-12 months?**

I see more competition as lenders try to keep the customers they have and new products become available. Most experts expect a rate cut in 2025 so hopefully that will come sooner rather than later. We have an election in Australia due by around 17 May 2025 + a change of US President in January 2025 so that will impact inflation and the economy in Australia - so investors especially need to get the best intel on where to buy.

4. **What do you enjoy doing outside of work?**

I enjoy exercising especially gym, bike riding and walking Mac the dog. Our kids are in Dubbo so we enjoy visiting there and seeing them when we can. As we have clients all over the country I also love visiting them to catch up and chat about their current and future loan and property plans. It's great being the trusted adviser for people and working with other industry experts.

If you'd like to know more or get in touch with *Dave* and the *Money Saver Home Loans* team, you can contact Dave at david@moneysaverhomeloans.com.au or via their website <https://www.moneysaverhomeloans.com.au/>



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