

BE POSITIVE IN 2009

Lets be honest, 2008 was a difficult year - or at least the first 9 months of it was. Interest rates were in the 9%-10% range, petrol prices were \$1.50 or more per litre, property price growth was relatively flat and we were constantly bombarded with all the doom and gloom of the economy. So what does the future hold for property in 2009?

You need to consider what's is being done on the DEMAND side and the SUPPLY side of property. Lets look at DEMAND first.

Rising Rents - With the lack of construction activity since the last boom and the increased difficulty of developers getting funding for their projects, the lack of supply will see rents continue to rise in the short to medium term in most areas, creating more demand. When demand increases, and supply cannot keep up, prices rise.

Introduction of increased first home owners grant (FHOG) - Kevin Rudd announced in October an increase in the FHOG as part of his Economic Security package. This sees the grant go from \$7,000 to \$14,000 for an established property or \$21,000 for a new property. On top this, NSW Premier Nathan Rees, announced an additional \$3,000 for new property during the mini budget, taking the grant to \$24,000 for new property. This was all designed to increase demand on property by making affordability easier. The catch is, first home owners must take advantage of the grant before 30th June 2009 when it expires, so there will be a mad rush for property before this date. Did either government do anything for the supply side? - NO. When demand increases, and supply cannot keep up, prices rise.

The Reserve Bank's (RBA) continual interest rate cuts - The RBA has made significant cuts to our interest rates.

Source - Your Mortgage magazine Nov 08.

In fact, at the time of writing, you can get rates as low as 4.99% for 3 years. Just 5 months ago, this rate was in the 9% range. This makes money cheaper to borrow and reduces repayments for new an existing borrowers. For those wanting to buy a home or investment property, it has not been this cheap since the early 2000's. This makes it more affordable and attractive for people to buy property. So as demand for loan's increase to buy property, and supply of property cannot keep up, prices of property will rise.

What's been done on the supply side?

Virtually nothing. Governments and councils have not reduced development costs or levies (to a significant extent), and combined with tighter lending rules from banks and you have a situation where limited development of new land, houses or apartments will take place. This means supply will continue to dwindle and not keep up with the reported 200,000# new homes required by the end of 2009 to house our growing population.

This SUPPLY AND DEMAND imbalance has created a unique opportunity for you in 2009, one which you may not see again for some time.

Over 70% of our properties are now cash positive or very close for the majority of investors

Don't miss out on the opportunity to buy a property and have little to no out of pocket costs.

Call us today and find out which properties are cash positive for you.

SEE OVER PAGE FOR A GREAT
CASH POSITIVE
PROPERTY OPPORTUNITY

Don't miss out on our
CASH POSITIVE
PROPERTY EXPO

Newcastle / Hunter Expo
West's Leagues, New Lambton
Sunday 8th February
10am - 12pm

Central Coast Expo
Crown Plaza, Terrigal
Sunday 15th February
10am till 12pm

See the web site for details and look out for special offers in January 2009.



Finally, the directors and staff at Prowealth Investments wish you a **Merry Christmas** and **prosperous** new year.

Please note, we will close on the 19th of December and reopen on January 12th.

1800 13 22 64
www.prowealth.com.au

 **Prowealth**
INVESTMENTS

YOUR CHRISTMAS PRESENT

BUY \$45,500 UNDER BANK VALUATION

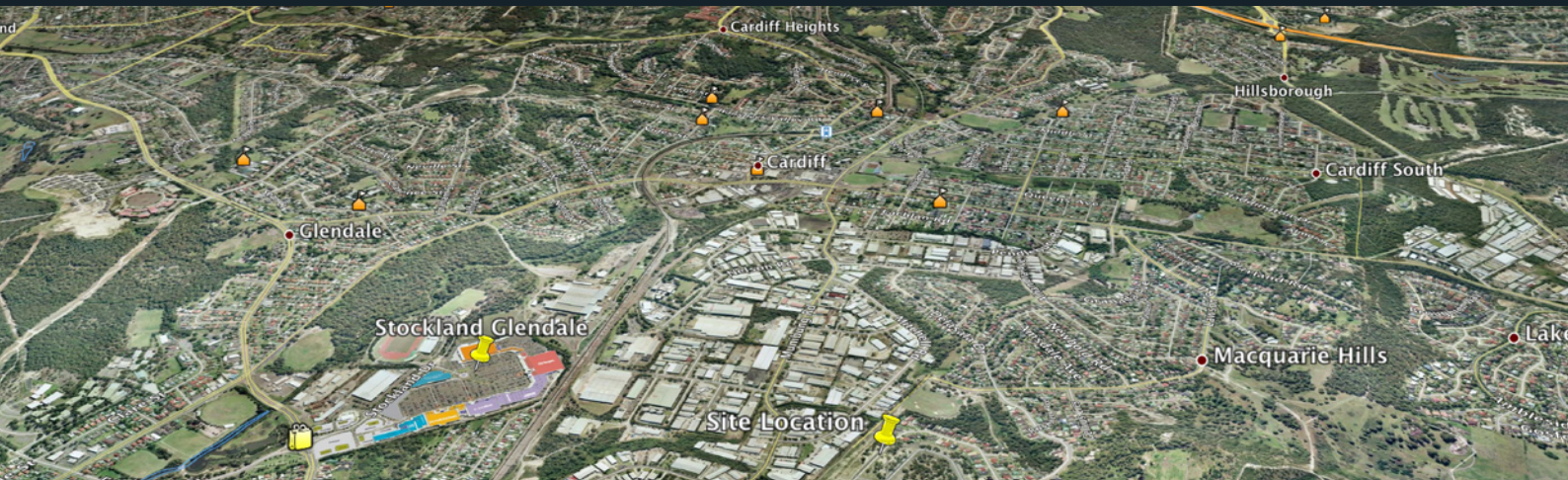
CASH POSITIVE PROPERTY OPPORTUNITY

AT MACQUARIE PARK, CARDIFF (NEWCASTLE) NSW & IT COULD BE

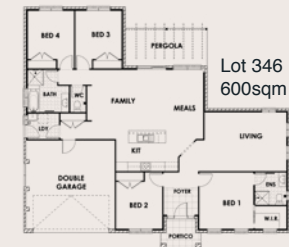
CASH POSITIVE BY \$26 PER WEEK*

5 residential house & land packages in Macquarie Hills Estate Cardiff, just **minutes to Stockland Glendale** and a short drive into **Newcastle City**. Each home comprises 4 generously sized bedrooms, oversized master suite, ensuite and double garage including remote access. Lot sizes range from 504sqm to 720sqm. With **interest rates falling** and **rents rising**, there's **never been a better time** to buy property.

Approx cost to you per week		
4 Bedroom House and Land Package in Cardiff		
Your Current Income		
\$60,000	\$90,000	\$120,000
Will cost you \$5 per week*	Cash positive by \$15 per week*	Cash positive by \$26 per week*



CALL NOW TO RESERVE YOUR LOT WITH JUST \$500
HURRY, ONLY 5 AVAILABLE



ACT BEFORE JAN 31ST 2009 &
GET BONUS INCLUSIONS WORTH

\$7,610

FLOOR TILING TO PATIO & KITCHEN WORTH \$990 **FREE** DISHWASHER TO THE KITCHEN WORTH \$890 **FREE** AUTOMATIC MOTORISED PANEL LIFT DOOR WORTH \$1,060 **FREE** STENCIL DECORATIVE CONCRETE DRIVEWAY WORTH \$980 **FREE** FEATURE PANEL INTERNAL DOORS THROUGH OUT HOUSE WORTH \$790 **FREE** HINGED SECURITY SCREEN DOORS TO FRONT ENTRY DOOR WORTH \$400 **FREE** REVERSE CYCLE SPLIT AIR CONDITIONING SYSTEM WORTH \$2,500 **FREE**

*Disclaimer - 4.99% 3 year fixed rate, market rent, various property running costs, stamp duty, single income. House and land packages include interest during construction for 6 months at 6%. Individual circumstances vary & other assumptions apply. Amounts or rates quoted are correct at the time of publishing only and may change without notice.

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