

New Premises

ProWealth Investments are celebrating 10 years on the Central Coast by moving to its new premises in the Tuggerah Business Park. ProWealth Investments are specialists in the property investment field, everything from positive and negative gearing, cash positive, put and call options, quick cash trading, syndication, property development, depreciation schedules and tax benefits to obtaining finance. They teach their clients, from the entry level investor to the investor with an existing portfolio, how to make money from property whether it is long term investing or short term quick cash transactions.

ProWealth Investments hold monthly Property Investment Information Nights for new and existing clients to keep them informed and updated on the latest property investment news. These nights are free of charge however bookings are essential.

Our next Information Nights are on Monday 8th May 2006 at Tuggerah and Tuesday 9th May 2006 at Erina. To reserve your seat please call ProWealth Investments on 1800 13 22 64.

Refer a friend, family member or work colleague to one of our May Seminars and ProWealth Investments will send you out 2 Movie Tickets

New Faces at Prowealth

There have been some changes at ProWealth since our last newsletter. Not only have we moved from Erina to Tuggerah we have also added three new members to our team; Penny van Drempt, Alan Rhoades and Klaus Christensen.



Penny van Drempt is our new receptionist and sales support officer, and has already become a valued member of the team. She has already won the respect and support of the rest of the team with her hard working attitude and happy nature, she is rarely without a smile. This is Penny's first full-time job and she has taken to it like a duck to water. Penny is also keen to start investing, like the rest of the team, and start practicing what we preach.

Alan Rhoades comes to ProWealth with a strong financial background, having been a finance broker for the last few years. Before that he was a high school teacher, teaching geography and legal studies. Alan graduated from university with a Bachelor of Arts majoring in urban and regional planning. In his younger days he played for the Balmain Tigers making several appearances in the first grade team. Alan is a successful property investor, recently using his investment properties to purchase the home he now lives in. Alan is married with four children and has been a resident of the Central Coast for the last 26 years.

Klaus Christensen joins ProWealth with a strong sales and customer service background, having spent most of his working career in this field. He has also worked in real estate and is a Licensed Real Estate Agent. Klaus also possesses a good understanding of personal finance and property development having spent the last two years working for a Queensland property developer. Klaus has lived on the Central Coast for the last six and half years having grown up in the Hornsby area.

"An investment in knowledge always pays the best interest" Benjamin Franklin



Len Goodwin



Nicole Clarke



Penny van Drempt



Kylie Yarnold



Rod Holloway



Alan Rhoades



Klaus Christensen

Tuggerah Business Park
Suite 2, 9 Reliance Dr Tuggerah NSW 2259
Tel: 02 4353 0664 Fax: 02 4353 0774
Website: www.prowealth.com.au

From The Chair...

The first quarter is over already and what an action packed period it has been. We have moved our investment arm into our brand new premises at Tuggerah and relocated our real estate arm Century 21, 4 doors down from where we were before in Fountain Plaza. The main reason for this separation was to have clear direction not only for ourselves but for our customers, clearly defining what both parts of our business do. Our real estate arm is now called Century 21 Home Central and of course our investment is ProWealth Investments. We have added 3 new staff to ProWealth, all with their special areas of expertise.



The first of our financial planning businesses was purchased in March with the raising of \$2 million as the first offering. The business was Deloitte Financial Planning in Brisbane and is one of the largest financial planning business with recurring income in excess of 1.9 million per year. The second raising of funds for it will be released in May once our Product Disclosure Statement (PDS) is released, where anyone of our customers can invest into it from as little as \$5,000. As previously explained at our information nights this is a great way of having cash positive income to offset any negative gearing creating a cash positive property portfolio.

Sales have been outstanding with over 53 properties sold in the quarter. Most of these have been in the upper and lower Hunter and some in Brisbane CBD.

Again we have been able to find stock that is well under the market price giving our investors immediate growth upon settlement of their property. An example has been the 4 bedroom homes sold in Singleton at \$325,000 achieving rental returns of \$340

per week while in the same street Defense housing have sold 3 homes, very similar in size and finish at \$370,000. Other properties in the same area have sold in the \$349,000 - \$360,000 range.

The next areas on offer will be at Cessnock and Raymond Terrace. Cessnock will have an off the plan development featuring 2 and 3 bedroom townhouses. The pricing has not been finalised but is expected to be in the range of \$249,000 to \$279,000. A \$500 deposit is all that is required to exchange and then no further payments until settlement in 8 months time. Raymond Terrace development will be offering 4 bedroom house and land packages priced from \$329,000 secured with a '3 year, no vacancy guarantee'

Our workshops are on again and this year we have already seen well over 200 people attend. If you haven't started investing you owe it to yourself to book a free 1 hour consultation with one of ProWealth's Consultants. They will discuss how to start your portfolio and demonstrate how we continue to guide and educate you along the way.

Looking forward to talking to you next quarter.

Len Goodwin

3 Year No Vacancy Guarantee

Rental guarantees are always something to look closely at. Most companies that offer such guarantees generally add the rental figure for the guaranteed period to the price of the property. This eliminates the risk for the company offering the guarantee however you, the client, miss out by paying too much for the property from the start. A Sydney based company offers a \$350 a week, 5 year rental guarantee on a property in Gosford that is only getting \$280 a week rent. A simple search on the internet reveals the properties on offer are well above the local market price to cover the guarantee and a call to a property manager would have rung alarm bells as well.

Another company even offers to repaint, recarpet, landscape and do other repair items as part of their 10 year rental guarantee. But if you look a little closer you will see that the properties are sold up to \$25,000 more than comparable properties in the same area and then you are charged between 12 - 16.5% management fees instead of the average fee of 7%.

On the 1st May ProWealth Investments will be introducing a '3 year No Vacancy Guarantee' where you will have the option to pay a minimum fee on settlement, for example \$800 on a \$280 a week rental return property to have the protection of no vacancy throughout the 3 year period. You will still be purchasing the property under market price and making capital growth on settlement. ProWealth Investments will be offering this guarantee as an option only so you can still purchase your investment without this guarantee.



Trapped and Getting Nowhere.....



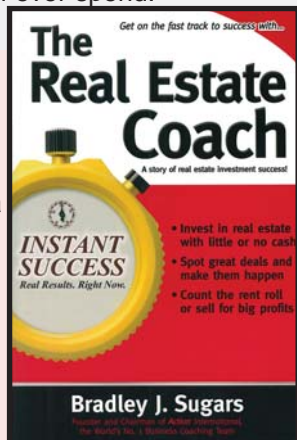
It is interesting that the book featured in our newsletter 'The Real Estate Coach' has many of the same things we have been showing people for the past 10 years. One of the areas it covers is a topic I find many times when I visits clients for the first time. The book talks about a couple called Brian & Sarah who one day suddenly realise what their true position is. They are in their forties, have two teenage children in school, have two car loans and a mortgage on their home. Sarah has a small business and Brian has been in the same job for 17 years. They comment to each other that their bills seem to be getting bigger every month and there seem to be less and less money to pay for them. Brian makes the comment that they are both getting older yet nothing has been put in place for the future to look after them. They think they are fairly well off, with the recent property boom and all the equity they have in their home. But in reality they knew that they should be doing a lot better than they are. Brian states he has been working for 17 years and if he stopped tomorrow they couldn't make their repayments and could end up with nothing. It felt like they were trapped. This is the position I find many of my clients in but the difference is they have enough fear to get them started in improving their position. I have many of my clients who have one investment property and they call it 'if things go wrong with my job or home' property. They can now relax knowing that at least they can sell the investment property and not their home to get themselves out of any unexpected problems. Don't let another year go by. Maybe you sometimes feel this way, so get us to come and see you. It will be the most valuable free hour you will ever spend.

THIS MONTHS BEST READ

Be coached on how to build a property investment portfolio.

Great Ideas
Great Tips

Recommended Retail Price
\$30.00 plus postage.



"Well, real estate is always good, as far as I'm concerned" Donald Trump

Low Doc Loans

Over the past few months a number of lending institutions have loosened their lending criteria on low documentation loans making it even easier for self-employed and PAYG customers to gain approval for new property purchases.

When low docs were initially introduced to the Australian market, they were welcomed because they eliminated, for a business owner, the need to provide the last three years full financials for any loan application.

However, the downside was that the rates for those loan products were much higher. For a long time the self-employed and small business owners have been disadvantaged when purchasing residential property by paying an interest rate inclusive of a risk margin while having to contribute substantial equity into the property. Additionally, all low doc loans required a Lender's Mortgage Insurance (LMI) premium because of the perceived higher risk.

As these loans have become more popular, there has been increasing competition between the banks to gain a share of the market. Therefore, the margin between banks standard rates and the rates for low doc loans have gradually reduced. Now, several lenders are offering their entire product range with no rate loading. Therefore, with lenders such as Suncorp Metway and Homeside Lending, you can secure a discounted rate at approximately 6.7% pa or even a 3 year fixed rate at 6.55%. The only negative aspect is that there is still a small LMI premium to pay.



Alternatively, RAMS and Macquarie Bank are also offering excellent standard rates as well as paying the LMI premium on behalf of the customers. Both of those lenders are aggressively trying to attract new customers and are increasingly offering relaxed serviceability criteria and higher loan amounts. RAMS have also recently released a No Doc loan up to 80% of valuation, which means you can be self-employed with an ABN number for one day and still qualify for a loan.

Adelaide Bank, at present, are the only lender that we are aware of that are offering a low doc loan for PAYG wage earners and which therefore enables many other customers the ability to purchase property which they previously would have been unable to buy.

All of these developments add up to great news for many of our clients who can now potentially continue to add further properties to their portfolio.

Supply us with your email address to go in the running to win a copy of 'The Real Estate Coach' Email to info@prowealth.com.au Phone to 1800 13 22 64 or Fax to (02) 4353 0774

Raymond Terrace - Making a Profit from the start

Once again following on from the huge success our clients have had with property purchased in areas like Muswellbrook, Singleton and Branxton we are now moving to other areas in the Hunter that will achieve similar results. We have seen the results of Muswellbrook, sold for \$317,000 in the last 12 months and now on completion valued at \$349,000. Then at Singleton, properties were first sold for \$323,000, then the developer put the price up to \$340,000 before even being built and valuations have been coming in at \$365,000. Rent yields are fantastic with Muswellbrook at \$330 a week, and Singleton at \$345 per week. Both are completely sold out! Clients are now getting ready to use the equity they have made to use as deposit for their next investment property. So remember, always buy under market value so that the product will give immediate growth on settlement.



The current subdivision entry is directly opposite the high school, only 5 minutes from the Golf Club, 7 minutes from the main shopping street and Big W and Woolworths Shopping Plaza, and then 6 minutes to the Lakeside Sports Centre and the lake. There are only 11 lots available selling 4 bedroom house and land packages for only \$329,000.

The March issue of the Property Investor Magazine has a great write up on the Port Stephen shire and supports the knowledge of the shortage of land in Raymond Terrace and how the Port Stephen shire is currently in the top 5 fastest growing areas in NSW.

So now onto the next Hunter Hot Spot.

Raymond Terrace is the administration centre for Port Stephens shire. The town is centrally located, only 20 minutes from Maitland, 20 minutes to Newcastle, 30 minutes to Nelson Bay and 10 minutes to William Town Airport and the William Town Air Force Base. The scarcity of land in Raymond Terrace will continue to push the property value up and the rental market reflects a demand for quality rentals from the RAAF base and the local market. Most of the new land releases have been restricted to small parcels of about 80 lots in any one area at a time.



South Bank - Gala Apartments



Upcoming Events

- | May | June | July |
|---------------------------------|---------------------------------|-------------------------|
| 2nd Property Release Night | 5th Prowealth Information Night | 2nd Prowealth's Clients |
| 8th Prowealth Information Night | Tuggerah Business Park | New Years Party |
| 9th Prowealth Information Night | Fountain Plaza Erina | |

