

Prowealth Property Investors
Newsletter Summer 2007



'Vicinity' is here - Your exclusive first look

After almost 12 months of planning, 'Vicinity' is now ready to go.....

Throughout 2006 we have been working closely with developer, Thomas Paul Constructions (TPC) on the latest community development for the Central Coast.

'Vicinity', is the latest in a long list of successful developments of this style by TPC which include; the highly regarded Heritage Park in Berry's Head Road, Narara, 'Monet Court' in Newling St Lisarow and Ashwood Grove in Jarrett St North Gosford to name but a few. These 3 complexes are in high demand from tenants due to their proximity to transport, infrastructure, access to shopping centers and the waterways. The demand is also driven by the security and lifestyle features, with all having security access via gate, intercom entry and large swimming pools (in constant use during summer) without the hassles of maintenance. 'Vicinity' will offer all of these popular features. The variety of floor-plans and designs also appeal to a wide tenant base, be it young professionals saving for a home, single parents or families due to low affordability in the current market.

'Vicinity' has been designed with all of this in mind and will feature a superb mix of single level villas, dual, split level and terrace style town-homes. All have 3 large bedrooms, the majority with ensuites and a combination of single and double remote garages. The complex itself will be secure with gated entry and private intercom as well as the tenant favorites of pool and cabana area. Although the town-homes have been designed specially with the needs of the investor in mind, its expected a number will also be owner occupied as has been the case in previous developments. All town-homes will feature polytech style kitchens with stainless steel appliances including dishwashers - another tenant must-have, and come complete with verticals blinds and flyscreens to all windows, wall to wall hard wearing carpets and ceramic tiling to high traffic areas such as the entry, dining and kitchens. These 'turn key' features will ensure the properties are functional and sought after even after many years of rental. The design and rental appeal of this complex is only half the story. 'Vicinity' is poised to capitalize on the growth of the area over the next 2 years and beyond. Located on the east side of the Sydney to Newcastle railway line, its only a 500m walk

to Niagara Park train station and is only 5 minutes to the Ourimbah entry of the F3 freeway, providing a gateway for commuters to Sydney, Newcastle and the Hunter Valley in about an hour. The University of Newcastle's Central Coast Campus is also only minutes away in the car or train - or if your feeling really fit, you could even walk there in around 30 mins. We believe that these factors will contribute to strong tenant demand from the University and TAFE as has been the case in previous nearby developments.

For shopping and lifestyle needs, 10 minutes walk to the north will get you to the Lisarow Plaza featuring banks, BI-LO supermarket, Bakehouse Cafe, Newsagency and a variety of other specialty stores - but the best is yet to come. Gosford City Council recently

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The year to take action

2007

2007 is set to be one of the biggest years for Property Investors. The lower property market in NSW has enabled developers to purchase land and unit sites at the lowest point of the property market and as such, price new developments at an extremely competitive level in order to secure sales. This is great news for investors as its not going to get any cheaper to acquire property over the next few years. The rental market is another area that investors will really see some improvements as the under supply of available housing forcing rents up and vacancy rates down. Why not book yourself into one of our seminars for a refresher on the latest property investment concepts and strategies as we prepare for the boom ahead.

announced plans for a multi million dollar makeover and upgrade of the Niagara Park Shopping Centre. The upgrade will feature a brand new Woolworth's supermarket, upgraded library and community centre with various other specialty stores, and is sure to be an icon in the area. Construction on the upgraded centre is expected to commence in mid 2007 with a completion date of early 2009 - which is coincidentally around the same time as 'Vicinity' is expected to be completed.

With all of this happening, its easy to see the potential for huge capital growth over the coming years combined with excellent rental yields.

By working closely with the developer, Prowealth investors who wish to buy in 'Vicinity' will be able to secure a town-home with only \$1,000 as full deposit, meaning nothing more to pay until completion in early 2009. This is absolutely huge - its means you can purchase one of these properties now, in the low market , and capitalize on the growth over the next 2 years - but not have to make a single loan repayment in that time! When 2009 eventually comes, you may choose to re-sell, hold or re-value the property and use the expected increase in equity to fund your next purchase.

The lower property market means its the best time to secure a property, and Prowealth worked closely with the developer to ensure the homes were priced competitively - as if they were being sold and leased on todays market. We're extremely pleased with the outcome and believe they represent excellent value against all competition in the area with the added bonus of 2 years future growth to come.

Full details on pricing will be released at our exclusive launch night on Thursday the 15th of February 2007, at the Platinum Building, Ilya Ave Erina. Prowealth clients are invited to attend a welcome drinks and nibbles session at 630pm prior to the 7pm launch to the public. The launch session is free, but due to the high demand of previous release nights, you must call or visit our website to book your spaces so we can arrange appropriate catering. This is the largest Central Coast development we will release this year, and with just \$1,000 to secure one, you would not want to miss it. Call us today on 1800 13 22 64 to book your seats.



Pool and cabana area

'Vicinity' Details

Split Level Town-homes
11 x 3 Bed, 2+1 Bathroom, 2 Car.
18 x 3 Bed, 2+1 Bathroom, 1 Car.

Terrace Style Town-homes
10 x 3 Bed, 1 Study, 2+1 Bath, 1 Car.

Villas
10 x 3 Bed, 1+1 Bath, 1 Car

Security gate and Intercom Access
Pool, and Cabana Area.



The entire 'Vicinity' Development model

Case Study

Should you sell your investment property when the market is low?

Many people are asking themselves this question. At the time leading up to the boom in NSW in 2003, many people rushed to enter the emotionally high market, and now many investors are now faced with lower property values - some even less than the purchase price.

Acquiring an investment property is one of the smartest ways to leverage your savings to create income generating assets for retirement or lifestyle purposes. There's a

saying that goes 'Whens the best time to buy an investment property?'. The answer is 'yesterday', so when is the next best time? 'today'. Property over time has always shown positive growth, but many people get stuck on the typical high and lows of the property cycle. If you look at the median house prices in any market, property tends to double in price every 7 to 10 years. This means that it will average 7%-10% growth averaged over the period. Will your property go up in value every year? Of course not, the market is cyclical in nature and there will be periods of high growth and periods of low or even negative price growth. The key is, that over 7 to 10 years, the value should double.

In NSW the 'boom' came off the boil in late 2003 which signified the end of one cycle

and the beginning of another. This is the correction in pricing we are seeing in the market at the moment. (Perth for example is at the opposite stage of the cycle- its near the peak of its boom). The good news for NSW investors is that we have seen the worst of it. It's now 2007, 4 years since the peak of the boom, which means we are around 3-4 years away from seeing the market return to the top of the cycle -

now is the time to buy - not sell.

Unfortunately, for some, the rising interest rates combined with high fuel prices, high inflation and others things means that making payments on a negatively geared property can be difficult, and many look to sell to recoup money for these items. In

times like this, selling your investment property may seem like a good idea, but when costs are factored in, it can leave you wondering if the whole exercise was worth it. Agents fees (typically 3% of the value) and capital gains tax are two of the more costly things to consider - but what the cost to re-enter the market later - you'll be up for stamp duty, lenders costs and legals but more importantly - in most cases, you will not be able to purchase a similar property

for the same money as when you bought it originally. This could set you wealth plan back many years as you wait for another property cycle. If you in this situation, you should call us today. Prowealth launched a product late in 2006 called the Positive Cash Flow Loan - which turns any negatively geared property into cash positive by deferring interest payments and therefore giving you a cash surplus each month. This surplus can then be used to cover the growing cost

of living or perhaps paying down you home mortgage. Although you are deferring the interest, you property will continue to grow in value over time and may result in avoiding having to 'sell the goose that lays the golden egg'. This is just one of the ways in which Prowealth can help in such a situation, but there are many others - please call us for chat **BEFORE** you decide to sell your investment property.

The new prowealth.com.au website released

If you clicked on prowealth.com.au over the holidays, you might have thought you typed in the wrong address! Our site has undergone a major upgrade to enable us to present property investors with the most complete and educational site available on the web today. The site changes every time you visit it, with 3 of the latest investment opportunities being showcased each time you return. You can also book into any of our seminars, release night and other events right from the home-page. The site also features a web 'blog' which gives you the latest breaking news concerning the developments or investment property news in general. But our staff favorite, is the 'google maps' feature. Every one of the properties on the site (when clicked on) reveals a satellite photo of the area complete with street overlay so you can see what's in and around the development without having to grab a street directory! Give it a try. Prowealth has also undergone minor changes to logos, stationary and print advertising - its a fresh new look with the same dedication and skill that Prowealth is synonymous with.

Above - The home page of the new prowealth.com.au

2 new additions to the Prowealth team

In preparing for an extremely busy 2007 period, Prowealth has added a few new faces to serve our growing list of clients. Pictured from left to right is Daniel Goodwin; who will assist Len in the direction of Prowealth Operations over the coming years and Scott Dunkley; who join us as Client Liaison/ Buyers Agent. You're sure to hear from these new faces in the coming months as 2007 shapes up to be the busiest ever.



Above - Daniel Goodwin and Scott Dunkley join the team at Prowealth.

At 28 years old, Daniel has purchased over 1.7 million in property through Prowealth's guidance over the past 5 years and was previously the Director of Century 21 Home Central. He lives with wife Emily and 1 year old baby Charlie in Erina. Daniel has 'Vicinity' on his list as the first property to acquire in 2007.

Scott purchased his first property in Greta St Cessnock from Prowealth in 2006 and already has plans to purchase in 'Vicinity' when its released due to the long build time and growth factors over the coming 2 years. Scott was previously a Buyers agent with Century 21 and The Professionals and brings years of experience in negotiating and dealing with Real Estate agents in the buyers favor. Interestingly, Scott's parents also became Prowealth clients in 2006.

Did you know?

Company Structures for Investment Property

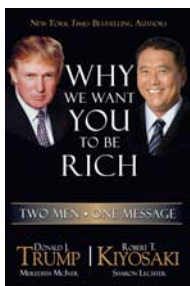
A company is a completely separate legal entity, which is treated differently to an individual. A company is subject to different tax laws. One of the main differences is the tax rate. A company pays tax at 30% (2006) whether it earns \$1 dollar or a million dollars, which could be of benefit to an individual paying the highest marginal rate of 48.5% (2006). One of the downsides however is that companies do not receive the 50% Capital Gain Tax discount. To find out more or to see if this structure could benefit you, call and make an appointment with a Prowealth consultant today.



Still waiting for your property to become cash flow positive?

Prowealth's Positive Cash flow mortgage puts cash back in your hand from day one. It works by allowing you to pay only a portion of the interest owed over the first 5 years. By delaying interest payments, you can now invest in high growth properties and enjoy positive cash flow immediately, yet still retain all the benefits of negative gearing. Call us to find out how on 1800 13 22 64.

Recommended Reading



Why We Want You to be Rich: Two Men - One Message

Author: Donald J. Trump, Robert T. Kiyosaki, Meredith McIver, Sharon Lechter

The wildly financially successful authors of this book state, early on, that a reader will not find in its pages specific advice on how to make or invest money. It's more a book of philosophy (note the "why" in the title), and if it's not exactly Kindergarten in scope or language, this collaboration of real estate magnate and rags-to-riches financial guru manages to entertain and to inform. Written in bite-size chunks and adorned with quotes (some from the authors' previous works or speeches) and graphs, it explains why some people get rich and others... well, don't. Some tales are shopworn: the many references to Warren Buffett are tales well told, for example, but what works best are the aphorisms and the personality type descriptions within the "CASHFLOW Quadrant"—no matter what you do for a living, in your heart are you an E, an S, a B or an I? (Key: E=employee; B=big business owner; S=self-employed, specialist or small business owner; I=investor.) But Trump and Kiyosaki (Rich Dad, Poor Dad) together are a strangely winning combination (they've published this book jointly and privately—and a portion of its profits will be donated to charity). Bottom line: these Messrs. Money-bags know their business. We're talking billionaires here, and really, how can you argue with success? Copyright © Reed Business Information, a division of Reed Elsevier Inc. All rights reserved. Taken from Amazon.com

Refer a friend - Get to Spend!

Over the past ten years, we've had the pleasure of helping many people set goals for wealth through investment property. We are please to announce our new 'Refer a friend' program. Simply advise us of any person that could be better off talking to Prowealth and we'll reward both you and them with a \$200 Coles Myer Gift card when they have their Wealth For Life Plan drawn up and purchase their first property. It could be a family member, work colleague - anyone - you can refer as many as you like and you receive a gift card for each. Simply fill out the 'Refer a friend' form on our website - and dont forget to tell your friend to expect a call!



Legal Disclaimer / Financial Advice Disclaimer

Please note that information provided on this newsletter is general information only, is subject to change without notice and should not be relied on as a substitute for legal, financial, real estate or other expert advice. Prowealth and its subsidiary companies disclaims all liability and responsibility, including for negligence, for any direct or indirect loss or damage suffered by any person arising out of any use of this email or any information or material available from it.

Upcoming Events

Fri 2nd - Sun 4th February

Erina Fair Shopping Centre In-centre Display - 'Vicinity' Model
Erina Fair Shopping Centre (Between Target and Myer)
Terrigal Drive Erina 10am till 5pm

Tuesday February 6th

Property Investment Seminar - Tuggerah
Prowealth Head Office, 2/9 Reliance Drive Tuggerah 7pm

Wednesday February 7th

Property Investment Seminar - Erina
Platinum Building, Ilya Ave Erina 7pm

Thursday February 15th

Special Release Night - 'Vicinity'
Platinum Building, Ilya Ave Erina
630pm for Prowealth Clients
7pm Launch, General Public

Tuesday March 13th

Property Investment Seminar - Tuggerah
Prowealth Head Office, 2/9 Reliance Drive Tuggerah 7pm

Wednesday March 14th

Property Investment Seminar - Erina
Platinum Building, Ilya Ave Erina 7pm



Please write or email us with your questions and comments.

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