

Dear [First Name]

Welcome to your monthly Newsletter. We hope you enjoy the many and varied subjects we will be sending to you so you can broaden your awareness, as well as ours, of the many things that impact on our daily lives.

A Word from Kumar

Are The Banks going too far?

While there are signs that the tightening policy of the RBA may have ended, homeowners continue to be the victims of steep rate rises imposed by the banks to recoup what they call the 'higher cost of borrowing'.

Many homeowners, myself included, simply couldn't keep track of the number of letters coming from their banks advising them that their mortgage repayments would increase yet again. Between November last year and April 2008, my banks rate had risen five times! Not just small increases, mind you – these rate rises have been a lot sharper than RBA's 0.25% increments. Perhaps the most troubling aspect of the whole thing is that there seems to be no end in sight, with most banks not ruling out further increases. So what choice do homeowners have? Perhaps, its time one starts looking for a better deal.

Make sure you do your sums before you switch, needless to say refinancing can turn out to be a costly affair. If you are sitting on large personal loan monthly repayments or credit card debts, maybe it's time you looked at a debt consolidation. You'll see there are competitive loan products out there in the market which can help bring your monthly repayment to an affordable one – which will make world of a difference.

[Please visit our website or call us for help!](#)

Finance News

Rates – Is it too late to lock in your loan?

Borrowers taking out fixed-rate loans due to recent increases should be aware they will be stuck with higher repayments if rates fall during their fixed period, As per Cannex nearly 30% of new loans are now taken at fixed rates, as borrowers look to future-proof their mortgages.

Market – First Home Buyers and Investors return

First home buyers are moving back into the Australian property market despite recent rate rises, RP Data research suggests. The number of first home buyers in the market increased by 11% and the rise in investors was 8.3% over the year to January 2008.



Your Questions Answered...

Can I sell my property?

Q. Am I allowed to sell my property while there is a tenant in it? Also, if I sell to an owner-occupier and not to an investor, can I ask the tenant to move out?

A. Firstly you can sell your investment property whenever you like if it's your property to sell – however 'the lease agreement rules'. This means that regardless of whether you sell to an owner-occupier or an investor, you can't make the tenant move out before the expiry of their lease. You might find that a prospective owner-occupier is happy to wait until the lease expiry. Sometimes the purchaser and the tenant can come to an agreement in writing to terminate the lease early. This usually results when the purchaser makes an attractive offer to the tenant to entice them to agree to terminate the lease early, i.e. To pay for the cost of their removal, or offer a free 'rent period'.

Delaying CGT

Q. If I sell an investment property and use the money to buy another two investment properties can I roll over the capital gains tax and pay it later when I sell another two properties? Effectively, I'm replacing the assets. Is this allowed?

A. No, unfortunately the only CGT rollover provisions relate to business assets and business entity structures. Any investment properties sold post September 1985 will incur CGT. In this case you need to pay tax, then with what is left go on and purchase the two new properties.

Did You Know?

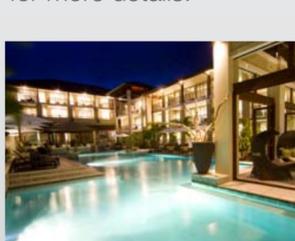
251 properties in Bendigo were sold for less than \$150,000 over the past year. The City Council of Bendigo in Victoria is offering 12 month exemption from rates to first home-buyers who purchase a home for less than \$150,000.

Latest Investment Opportunities



We at SUPA Invest along side our project partners bring you the opportunity to access wide range of quality sort after developments in high growth areas Australia wide. As you will see they exposed to high rent yeild and excellent capital gains.

We present herewith few of our projects, please follow the links for more details.



SANTALINA

[CLICK HERE FOR MORE INFO](#)



WILLOW PARK

[CLICK HERE FOR MORE INFO](#)



ENDEAVOUR GARDENS

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Tax Tips

Selling a rental property

Make sure you remember to include the capital gain or loss of the sale of a rental property in your tax return as the Tax Office computer automatically generates an audit letter if rental income no longer appears in your tax return yet nothing has been recorded in the capital gains tax section.

PAYG Income Tax Withholding Variations

If you have purchased a negatively geared investment, it's possible to have PAYG deductions reduced to allow for the losses being incurred. You can request the ATO to provide a PAYG variation certificate to give your employer for reduced PAYG deductions otherwise you will receive the refund of the additional tax paid on lodgment of your income tax return.



Income Protection Insurance

Both self-employed and PAYG employees are entitled to a deduction for accident and sickness premiums when the policy provides the taxpayer with an income benefit during a period of disablement.

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