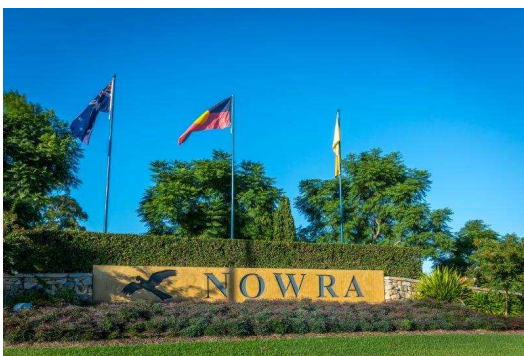




First National Nowra

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Interest Only Loans

For many Australians wanting to get into the investment property market, interest only loans have provided a convenient and affordable way to leverage the equity in their principal place of residence.

This type of loan has been the choice of many investors over the past decade, with around 40% of all mortgages being interest only at their peak.

While this type of loan has been particularly popular with investors, it's estimated that owner occupiers still account for around 20% of interest only loans.

A reckoning is coming for many investors and homeowners with around 30% of all mortgage debt subject to an interest only reset between now and 2021. Selling now before a potential increase in distressed sales may be the best course of action for some, especially if you are concerned about your ability to fund higher repayments.

As interest only loans reach their term over the next four years, it's expected that interest rates will rise, putting further financial pressure on mortgagees. It's this financial pressure that is of greatest concern, with homeowners still having no equity in their home at this point. If mortgage repayments become unmanageable, the obvious choice for many will be to sell and cut their losses, however that's when there are likely to be plenty of others in the same boat. If the majority of IO investors follow this course of action and rush to sell, the market will be flooded with stock, forcing property prices down.

So what is the way forward? If you are at all concerned, you should immediately seek professional financial advice. Depending on your circumstances, it may be possible to re-finance more suitably. Alternatively, you could bite the bullet, tighten your budget now, and convert to a principal plus interest loan as an alternative. If it's going to happen in a few years anyway, why not start now and focus for five years or so on throwing as much as you can at your mortgage.

Alternatively, selling now, before any kind of rush, could advantage you significantly.



our team



Anthony Rizzuto



John Egan



Chris Tuminello



Ben Ward



Renay Gentles



Zara Burke-Marchant



Sharon Wilson



Lauren Bullock



Amy Hewitt



Stacey Atherton



Taylor Jones



Rhonda Kinsey

INVESTMENT OPPORTUNITIES



BOMADERRY, 7 Brinawarr Street

\$520,000

- Redevelopment or sub division potential
- 1353m2 block with 20 metre frontage
- Character filled three bedroom home
- Renovated kitchen, bathroom & laundry
- Covered outdoor area, 7x7 metre garage

Current Rent: \$300 p/w



NOWRA, 4 Pioneer Place

\$449,000 - \$469,000

- Renovated kitchen & bathroom, storage galore
- Dual living areas with separate air-cons
- 9 panel solar array, recoated roof
- Garage, multiple carports plus workshop
- Private outdoor deck with updated roofing

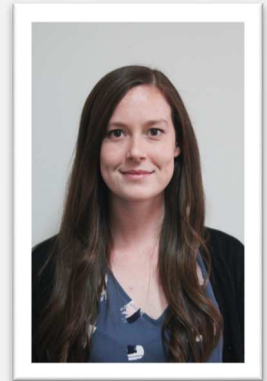
Rent Potential: \$380 - \$410 p/w

OFFICE NEWS

A warm welcome to our new team members!



Sharon Wilson
Reception



Rhonda Kinsey
Tenancy Manager

And a big welcome back from Maternity Leave to Amy!

