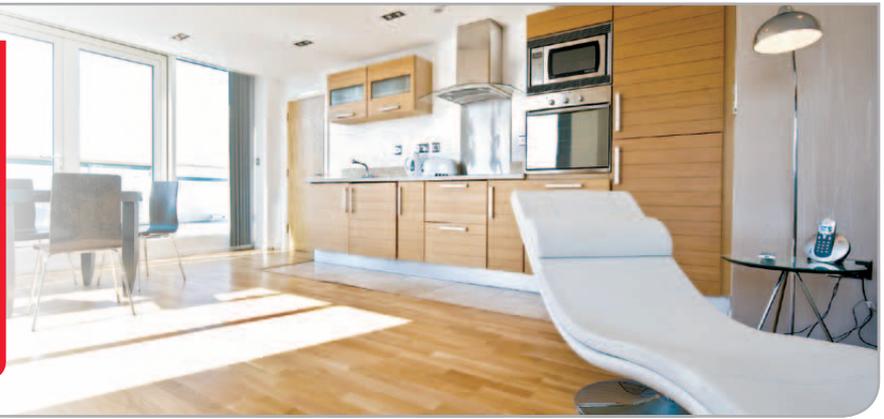


Home Newsletter

March 2012



Welcome to the new look for LJ Hooker's Home newsletter. From today the refreshed LJ Hooker brand will be seen across our national network by our customers and consumers. The brand reflects the contemporary real estate company that LJ Hooker is in 2012.

How to invest in your 40's

Is it too late to invest if you haven't started before hitting the big four-zero? Not by a long stretch. Here is a step-by-step guide for anyone over 40 looking to get started in property investment to have a nest egg before retirement.

In 2012, the concepts outlined in the guide generally follow from the assumption that the would-be property investor owns their own home, and therefore has some level of equity available to help them get started in investment.

Step 1: Get the right mindset

It is most likely that you need at least 10 years to get a good outcome, and 15 is fantastic, then after 40 it becomes all about how much time you have and what your goal is. Most people won't be able to rely on their superannuation as the only source of income to retire on.

Step 2: Establish your attitude to risk

Different investors have different appetites for risk and those risk profiles should be a major factor in deciding on an investment strategy. Your risk profile will determine:

- the loan-to-value ratio (LVR) you're prepared to use to invest

- the amount of debt you're comfortable with and
- the type of property you're prepared to buy.

Investors over 40 should be more inclined towards a lower-risk strategy, as they can't really "start again" if they're financially crippled. This means lower LVRs, lower borrowing and buying standard residential rather than riskier niche market properties.

Step 3: Set your goals

When do you want to retire? How much money do you think you'll need to live off? These might be questions you've put off or ignored up until now, but before buying investment property it's time to confront them. It's all about goals –you need to determine how much money you'll need in retirement and when retirement actually is. Many people will want to reduce working hours rather than ceasing working altogether which has a positive impact on your retirement funding. Investors need to think non-financially first. That is, what lifestyle they want, holidays, how much they want to work and so on. Then they can translate that into dollars.

Step 4: Select your property strategy

Once you know where you want to be in 10 or 15 years' time, you need to map out a course to get you there. The first step is to get educated and the next step is to surround yourself with a good team - Get a good accountant, a good property solicitor, a good finance broker, as well as a good property agent and property manager.

Investors may look to research and consider different approaches to the property market, such as capital growth, negative gearing, positive cash flow, renovation, subdivision and small development. Other steps to take include checking your borrowing capacity and establishing how much equity you have available to use. According to the experts, as far as choosing an investment strategy goes, it's best to keep things simple. The combination of leverage and high-growth property can't be beaten in terms of supercharging a retirement strategy.

Step 5: Develop a retirement strategy

It's important for later starters in property to consider how you might make the transition to retirement and fund your living expenses before they even start investing. This is because the ultimate plan may have an impact on the structures used to acquire and hold property.



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Step 6: Start implementing & tracking your plan

This is perhaps the most vital step of all, especially for those who haven't taken action at an earlier age. Goals are vital but they're worthless without the commitment to take action. As you invest, you'll need to keep track of how you're travelling along the path you mapped out at the beginning, and adjust your actions accordingly.

Step 7: Consider your risk management

Risk is one of the first factors to consider, but it's also worth revisiting once you've started investing. Risk is simply the chance of your investments or strategy under-performing in terms of capital growth and/or income not meeting expectations and therefore not being able to meet retirement. When you don't have much time, you can't afford to

make mistakes. As such, investors need to sit down and identify all the things that can go wrong with their strategy and think about ways that they can reduce their risk. In planning for retirement, investors also need to factor in the possibility of ill health.

Step 8: Keep going

Some might find it hard to maintain motivation and keep rolling on with their investment plans, especially if they suffer some early setbacks. It's a good idea to associate with other people who are doing similar things, as this can be "incredibly motivating and keeps you going during the rough times.

Want to know more on investing from 40+? Sign up and check out myljhooker for more tips.



How to best hang a picture

According to design experts the best height for a picture on a wall is to have the centre of the picture about 1500mm from the floor, or to have the base of the frame about 250mm above a piece of furniture

Top tips:

- 1 Avoid using adhesive hooks if your walls are damp or you live in a humid area
- 2 It is wise not to hang pictures in areas that get hot or steamy or too much sunlight as they will age your artwork/photographs more quickly.
- 3 Use hooks that are correct for the weight of your picture/s
- 4 Choose frames that will enhance or complement your artwork rather than overpower it.
- 5 Place a matchbox or similar item behind the frame to avoid mould growth on walls if you live in a humid area



Ten tricks of the trade for small gardens

- 1 Use tall shrubs and trees with lots of foliage to draw your eye upwards.
- 2 Choose vertical fence and screen designs. The wider the panels or slats, the bigger the space will look.
- 3 As a general rule, the bigger the paver and the less intricate the pattern, the more open the space will appear.
- 4 Choose a single paving material, such as all sandstone or all brick.
- 5 Introduce a level change. This could be a single step, a low wall or a 'fake' raised garden bed.
- 6 Get the balance right. The area allocated for dining, reclining or entertaining should be bigger than the lawn or plant area.
- 7 Maximise and 'extend' the space by drawing attention to corners with winding paths, feature plants or a piece of garden art.
- 8 Use a few tall, well-shaped plants rather than a mass of little ones.
- 9 Choose colours carefully, especially for walls. Blue tends to 'fade' into the distance; red tends to 'close in' on you. If you have any large, cumbersome features, such as a shed, paint them a neutral colour to downplay them.
- 10 Try to create two or three distinct areas or 'rooms'. This could be a paved area for dining, an area of lawn for playing and a corner with a single bench offering a view of a discreetly placed statue.

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