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MORTGAGE WISDOM IS A PROUD  
MEMBER OF THE MORTGAGE INDUSTRY  
ASSOCIATION OF AUSTRALIA  
(MIAA), THE FINANCE BROKERS  
ASSOCIATION OF AUSTRALIA (FBAA)  
AND CREDIT OMBUDSMAN SERVICE  
LTD. (COSL)

*Jonathan and Michael welcome you to the latest edition of Global Watch. The aim of our newsletter is to provide clients of Global Future Investments with information on what is happening in the home loan and residential property market. We hope you find the contents of Global Watch both informative and helpful. Please feel free to share our newsletter with your friends, relatives and work colleagues. If you have any lending questions or need assistance with a lending matter please call us.*

## MORTGAGE WISDOM & PRESTIGE MORTGAGES JOIN FORCES

The Mortgage Wisdom Group is set to grow to a \$100 million a month business following its merger late last year with Prestige Mortgages. The transaction, announced in late November, will see Mortgage Wisdom acquire 100 per cent of Prestige Mortgages in a cash and share deal which will see the principals of Prestige Mortgages become shareholders in Mortgage Wisdom.

The chairman of Mortgage Wisdom, Brian Hastings said the two companies would continue to operate under their own brands for the foreseeable future and that one of the two Prestige Mortgages principals, David Hartley, would join the Board of Mortgage Wisdom, which would preside over the operation of both companies.

Mr Hartley was enthusiastic about the future of the combined group and the benefits that the individual Prestige Brokers would achieve with the merger.

"I was impressed by both the professionalism and vision of the Mortgage Wisdom board," he said. "They expressed their desire to reach an agreement which was fair and reasonable for all parties and all discussions reflected the sincerity of that attitude.

"Prestige brokers and shareholders as well as Mortgage Wisdom brokers and shareholders will all benefit from this transaction," Mr Hartley said.

Mr Hastings said that acquisition of Prestige Mortgages was consistent with a strategy devised by Mortgage Wisdom in 2004 to grow the business both by merger and acquisition. "Obviously we laid down some very strict criteria with respect to the implementation of that strategy and Prestige Mortgages was certainly one of the companies that met those criteria," he said.

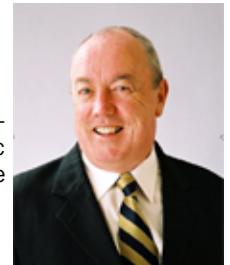
CEO Steve Troughton, said the announcement had been very well received by brokers from both groups who had been quick to recognise the positive impact it would have on their individual businesses.

"Many of the Mortgage Wisdom brokers are shareholders in Mortgage Wisdom and brokers from Prestige Mortgages were enthusiastic when told they would be given an opportunity to become shareholders, early in the new year," he said.

Mr Hastings said Mortgage Wisdom was in negotiation with a number of other groups with respect to both merger and acquisition opportunities and would welcome discussions with other like-minded, quality based broking groups.

He said the acquisition of Prestige Mortgages combined with the signing of other new brokers this year meant that Mortgage Wisdom would be writing over \$100 million a month in business by the New Year.

"We believe that this first acquisition positions us for further growth through 2006," Mr Hastings said.



*Brian Hastings*



*Steve Troughton*



*David Hartley*



## BUILDING INDUSTRY ENDS 2005 IN GOOD SHAPE



The Australian home building industry ended 2005 in good shape, according to statistics released in early January.

The Australian Bureau of Statistics Building Approvals figures for November revealed a 3.4 per cent national seasonally adjusted jump in total building approvals to 12,544 homes and units, with private sector houses rising 2.6 per cent to 8,532 and the approval of flats, units and apartments also rising 7.6 per cent to 3,649.

The major driver for the 3.4 per cent increase was Victoria where dwelling unit approvals for November were up by 19.2 per cent, compared to just 0.9 per cent in NSW.

By comparison, approvals fell by 7.6 per cent in South Australia, 5 per cent in Tasmania, 3.6 per cent in Western Australia and 3.1 per cent in Queensland.

According to the Housing Industry Association's Chief Economist, Simon Tennant the figures

suggest that confidence is returning to the market.

"2005 will be remembered as a year in which consumers were willing but not able to jump into the new home market," Tennant said.

"The fundamentals were strong but the relentless rise in house and land prices saw many sit on the sidelines, keeping pressure on an already overheated rental market."

He said the November figures suggested that while demand had been patchy, demand for new housing was continuing to build.

"With pressure remaining off interest rates and the potential for income tax, it could be just the tonic to put a floor under activity and see it edge up throughout early 2006 as these early figures suggest," Tennant said.



## TAX CUTS IN PROSPECT

The Federal Treasurer, Peter Costello has argued that further tax cuts will not necessarily act as a generator for higher interest rates.

Costello used an interview with journalists in late December to flag the possibility of a further round of personal tax cuts in mid-2006.

"We have already legislated a tax cut to take place on 1 July of next year (2006) and what I have said is that if the economy stays strong, if we can keep interest rates down, if we can keep a grip on expenses I would like to cut taxes again," the Treasurer said.

Costello said that the level of those tax cuts would be dependent on economic events in the lead-up to the May Budget.

"It depends how well we go between now and May," he said.

The Treasurer down-played suggestions by independent economic forecasting agency Access Economics that a further round of tax cuts might place renewed upward pressure on interest rates.

Mr Costello said that while higher petrol prices had increased inflationary pressures it did not necessarily follow that tax cuts would do the same thing.



## QUIT NOW & GROW RICHER



How many readers decided to make quitting smoking their New Year's resolution?

Well here's the bad news, only 10 per cent of those people will succeed permanently.

That is the bottom line of research conducted by recently-established superannuation fund, max Super, which said that smoking was not only a danger to health but also a

real drag on people's wealth accumulation.

According to the super fund, if a 30 year old smoker had called it quits on New Year's Eve, he or she could have contributed an estimated \$30 a week more to superannuation generating an additional \$105,000 at retirement at age 65.

That calculation is based on the person redirecting \$1,560 from cigarettes into a superannuation fund for a period of 35 years with the fund having a calculated earning rate of 8.5 per cent a year and a management fees.

Max Super has targeted 25 to 40 year olds and is offering non-smokers lower insurance premiums on death, total and permanent disablement and income protection.

## GLOBAL FUTURE INVESTMENTS

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