

YOUTH IS WASTED ON THE YOUNG

PROPEX NEWS
PROPERTY & FINANCE SPECIALISTS

MAY 2006

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The 2001 Census counted 13% of Australia's population in the 65+ age bracket. One hundred years earlier, only 4% of the population made it to this age. **Nina Siljanovic** explores ways for brokers to reach this market.

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Australian Red Cross

Trivia Night

6:30pm, Thursday 25th of May, 2006

NSW Leagues Club

Between 165 Phillip and 72 Elizabeth Street, Sydney

There are 240 tickets and we sold out in two weeks! Contact Anne to put your name on the list for our next trivia night:

anne@propex.com.au or 1300 854 030

Youth is Wasted on the Young

PROPEX TEAM

- **Anne Thanudchang**
Director
- **Eugene Tee**
Business Development Manager
Private Lending
- **Hus Sali**
Business Development Manager,
First Mortgage Specialist
- **Alex Gola**
Business Administration
Assistant/Personal Loans Specialist
- **Sineenad Roongruang**
Accounts
- **Nina Siljanovic**
Journalist
- **Aurelie Morin**
Marketing Executive

CURRENT PRODUCTS

SHORT TERM BRIDGING LOAN: Rapid loans settled for those who needed the money yesterday. Secured loans available for 1-3 months. Funds are settled in 3 working days.

SECOND MORTGAGES: Provides extra funds without affecting the first mortgage. 85% LVR in Sydney, Melbourne, Brisbane. Secured loan from 6-24 months.

NON CONFORMING LOANS: Credit impairment doesn't affect your ability to access funds for debt consolidation, refinancing or purchasing a new property. 105% LVR full doc or 95% LVR Lo doc.

COMMERCIAL LEASING ON ALL ASSETS: Maximum preferred term is 24 months. Asset purchase or lease back for working capital requirements. Lease back software or clothes. If you can't get a personal loan, do a leaseback.

PERSONAL LOANS: Provides access to funds for a new holiday, car or renovation. Three paid credit defaults are fine with borrowings up to \$15,000.

VENTURE CAPITAL: Raise another \$15,000 + on a new/old franchise. We will go behind a bank on any business.

Note: Fees and conditions apply to all our products.
Contact: finance@propex.com.au or 1300 854 030

Today, older Australians are healthier, more active and more informed than ever before. There's a lifetime of assets, investments, mortgages and debt for brokers to sink their teeth into. As bank and non-bank financial institutions have become aware of this, increased competition has created a portfolio of options available for brokers to tailor to their client's needs.

AUSTRALIA'S BIGGEST MORNING TEA

JOIN PROPEX TO FIGHT THE BATTLE AGAINST CANCER

Please come and help us fight against cancer by supporting The Cancer Council's "Biggest Morning Tea".

**When: 10am - 12pm
This Thursday 25 May, 2006**

**Where: Propex Headquarters
Level 3, 55 York Street
Sydney 2000**

PROPEX will provide the morning tea, YOU provide the donation. Every dollar donated will go straight to The Cancer Council.

Bring your favourite mug and fill it to the brim! A prize will be awarded to the person with the most creative mug!

BUY a raffle ticket, WIN A HAMPER!

RSVP to

Alex@propex.com.au

1300 854 030

contributions, the removal of age-based limits and giving self-employed people the same contribution rights as employers. All in all, these reforms will encourage older Australians to remain in the workforce, assisting them to self-fund their retirement.

Superannuation is the cornerstone of financial plans for older Australians. Yet unlike many Australians now who have had compulsory superannuation schemes building up from the start of their career, many baby boomers retiring in the near future have not been afforded the same luxury.

There were two major superannuation reforms of the 2006 Budget: the abolition of tax on all superannuation benefits, provided they are taken after the age of 60 and after July 1 2007 and; simpler rules for making

PROPEX HOME LOANS INAUGURAL LAUNCH:

Come to support Anne, Hus, Eugene, Alex and Jum launch Propex Home Loans

**THURSDAY 13th JULY 2006
6PM - Late**

Food will be provided

Venue: Equilibrium Bar World Tower

George St Sydney

Put this in your Diary!

FEATURED SITE: www.skype.com

Make a free phone call

VoIP is destined to make a big splash this year, and there are several programs available which will let you make internet-only calls for free, and internet to landline calls for a heavily discounted price. If you want to try out VoIP without the commitment of signing up to contract, check out Freshtel's Firefly (www.freshtel.net/firefly) and Skype (www.skype.com).

ENTERTAINMENT BOOK



Get over \$10,000 worth of savings from restaurants and attractions All cities in Australia are available and can be

delivered straight to your door. Get the entertainment book now from Propex for just \$60.00. Call today to get your copy.

There has been a shift in the retirement mentality. No longer is it about winding down and sorting out your affairs. Today's retirees are treating their post-work life as a chance to fulfil dreams, live in comfort and give back to the community. However, many are experiencing a continued discrepancy between required income and the actual income available from savings, investment and superannuation earnings. The government's pension allocation just won't suffice anymore, and older Australians are being encouraged, if not forced, to investigate other financial options to tide them over.

The equity release market, popularly referred to as the reverse mortgage, is a result of this drive. A structured lifetime mortgage generally secured via a residential first mortgage, reverse mortgages convert equity in the home to cash, in a lump sum or structured payment system.

"Reverse mortgages are relevant to the financial services market now, but this need will reduce as the next generation of retirees with enriched superannuation schemes step up to the plate," says Ms Anne Thanudchang, Director of Propex Pty Ltd.

This expiry date means that brokers have a limited time to benefit from this avenue. The Senior Australians Equity Release Association of Lenders (SEQUAL) aims to raise the profile of the industry amongst consumers by ensuring quality and integrity standards. They act as a central body for lobbying Government and industry policy, and provide independent information for industry participants and consumers alike. Membership of SEQUAL boasts a 'no negative equity' or 'non-recourse' guarantee, reducing



Anne Thanudchang, Director of Propex (pictured left) has recently achieved her full diploma in financial services from Plan Australia.

Please congratulate Anne next time you see her as we at Propex still don't know how she achieved this.

the risk of a client entering into an unsustainable reverse mortgage. Promoting industry regulation and a high standard of professionalism, associations such as SEQUAL provide the backbone for brokers to market equity release products to their clients.

Brokers need to shift their product portfolio to match the shifting attitude towards retirement. Many potential clients will consult brokers to gain the sort of advice banks just can't give. Brokers not only need to be aware of the products and number crunching

aspects of the financial services industry, but also the implications of broader political and economic issues.

For example, the Federal Government has recently highlighted a critical shortage of skilled workers in response to the resources boom. The traditional applicants for such work, eg school leavers and international workers, are pursuing other avenues, so the 45+ age group is being targeted.

To many in this group, particularly those fostering the idea of retraining, retirement is much more of a dream than a reality. This mindset may affect their current financial planning, with today's living costs more of an immediate burden than tomorrow's retirement. If they do undertake an apprenticeship with the foresight of improving their financial status and career prospects upon completion, brokers will be able to offer financial solutions to get them through the short-term retraining period, setting them on the path to a satisfactory retirement plan. Recent retirees, looking for an income supplement and a new challenge to fill their time, could also take up this option.

George Bernard Shaw was clearly on to something when he said, 'Youth is wasted on the young.' Broker's can easily be distracted by the gloss and glamour of the first home buyer's market and ignore the needs of older Australians. Equity release is a viable option for retirees with stored up equity in their residential property. Another more traditional option is to simply sell up and downsize. Brokers should also be looking out for the next batch of retirees, particularly those whose superannuation return may not match the financial means they will require to support themselves in the future.

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