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NEWSLETTER

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A NOTE FROM TRACIE



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Make 2020 your year.....

As you move into yet another year, it's important to take some time to take stock of the year that was and what you want out of the year ahead. The start of the year marks an ideal time to review your personal finances, and with many of us fortunate enough to have some time off, summer can provide the perfect occasion to nut out some resolutions and a road map for success.

Plan for success

"If you fail to plan, you are planning to fail," No true success comes without some solid planning and goal setting. Take some time this summer to think about your financial goals—both long and short term. A great way to stick to any resolutions is to keep them front of mind. Set a monthly reminder to review and track your progress or create a 'vision board', using a piece of cardboard and some creative licence. Keep it somewhere you will see every day, to help you stay focused.

Financial health

No financial commitment should be set-and-forgot. As you head into the new year, it's a great chance to review your home loan arrangements. Ask yourself, how are you managing your loan repayments? Do you think you could be paying more off your mortgage? Or perhaps you're finding your current set-up difficult to maintain? A difference loan or repayment set-up could

be a simple but effective way to improve your financial circumstances in 2020.

Anticipate change

Some things in life are impossible to plan for, but others not so much. Major life changes and milestones can impact our finances significantly but by being prepared, we can minimise the risks and disruption. Take some time to consider whether any major events could interrupt your financial arrangements in 2020. A new addition to the family? A change in employment? Even if it's something a couple of years away, by planning now, you'll be much better placed to handle any bumps in the road.

Eye for opportunity

The beginning of the new year represents a great opportunity to assess the prospects for new ventures. Would you like to buy an investment property this year? Are you keen to renovate or head overseas? Think about your aspirations and how you might be able to achieve them. If you have an existing home loan, chances are you may have already acquired some equity that can be used to fund a new home or an investment property—or renovations and holidays. But you'll never know if you never take the time to find out.

Give us a call today to discuss your financial goals for 2020 and how we can help you get there.

10 of the most commonly missed tax deductions sourced from BMT

Many property investors self-assess their tax deductions. However, few have the knowledge and information to accurately prepare their own tax return. As a result, there are several commonly missed tax deductions.

The ATO recently reviewed individual tax returns to determine the difference between what should have been paid and what was paid. They found that nine out of 10 individuals with a rental property were making mistakes. These mistakes could result in an under or over claim.

The top three most commonly missed tax deductions were loan interest, borrowing expenses and repairs and maintenance.

1. **Loan interest**—If you require a home loan to purchase your investment property, you're entitled to claim the interest as a deduction. Along with this, you can also claim interest on a loan used to purchase a depreciating asset for the rental property (like a new air conditioner), to make repairs or to finance renovations.
2. **Borrowing expenses**— when you first purchase your investment property the borrowing expenses involved can be claimed as a tax deduction. These expenses can include loan establishment fees, title search fees and costs of preparing and filing mortgage documents.
3. **Repairs, maintenance and capital improvements**— according to the ATO, repairs are considered work completed to damage or deterioration of the property. Maintenance, on the other hand, is work completed to prevent damage or deterioration of an asset. For example, oiling a deck is considered maintenance. Any costs incurred to repair or maintain your property can be claimed as an immediate tax deduction in the year or the expenses. However, the ATO specifies that initial repairs for damage that existed when the property was purchased are not immediately deductible. Instead these costs are capital in nature and claimed over the time. A capital improvement occurs when the condition or value of a thing is enhanced beyond its original state at the time of purchase. This must then be classified as either a capital works deduction or as plant and equipment depreciation.
4. The ATO allows owners of income-producing properties to claim depreciation deductions for the natural wear and tear that occurs to a building and its assets over time. The best way to ensure you maximise your depreciation claim is to organise a tax depreciation schedule.
5. **Property management fees**—If you enlist a real estate to manage your investment property, you'll be required to pay property management fees. These fees are tax deductible and can be claimed in your annual tax return.
6. **Real estate advertising costs**— As an investor, you're eligible to claim any rental advertising fees charged in the same year you paid for them.
7. **Land tax and council rates**— You're entitled to claim deductions for costs like land tax, body corporate fees and council rates relating to your investment property.
8. **Pest control**— Rental property owners can claim pest control costs on tax. Depending on the cost of the pest control, you can generally claim these expenses as an immediate deduction.
9. **Insurance**—If you claim rental income on your property, your insurance also becomes tax deductible. Insurances that may be tax deductible include building, contents, landlord, public liability or private mortgage insurance.
10. **Legal expenses**— The ATO stipulates that legal expenses involved in purchasing or selling your property, resisting land resumption or defending your title to the property are not tax deductible as they are capital in nature. However, any expenses involved in evicting a non-paying tenant are.



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Summer Home Maintenance Checklist

As the temperatures continue to heat up this summer and many people are busy enjoying summertime vacations, it's important that homeowners don't neglect their homes. Whether you're thinking about selling a home during the summertime or not, it's vital to your homes "health" that you complete certain tasks during the summer months.

1. Check & Clean Your Home's Exterior

Now that the temperatures are heating up, this is a great time to address the exterior windows of your home. And if it's a hot day, you get cooled down in the process so really it's a win win!

2. Inspect & Clean Your Ceiling Fans

An easy, but important, summer home maintenance task to add to your checklist is to inspect and clean your ceiling fans. Each fan is different, but most ceiling fans have a visible switch that changes the direction in which the fan rotates. First and foremost, ensure your fan is running in a counter-clockwise direction for the summer.

While you're ensuring your ceiling fan is running in the proper direction, take the time to clean your fan and check the light bulbs. Ceiling fan blades are notorious for collecting dust, so while checking on the direction of the fan, grab a cleaning rag and clean up your fan.

3. Focus on Your Gardens

If you were unable to get to your homes gardens during the spring, don't worry it's not too late. During the summer is a fantastic time to focus on the gardens to help beautify the appearance of your home. Mulch is great for creating a clean and crisp appearance but also can help keep weeds out of your gardens and also will help lock in moisture which will keep your plants alive during the hot summer months.

4. Check Your Gutters

Last, but not least, another important summer home maintenance chore to complete is checking on the gutters of your home. Gutters can not only get damaged over the winter and spring months but they also can become filled with loose debris such as leaves. This is especially important to do with our Summer storms in Australia.

Final Thoughts

Summer home maintenance is important and should not be forgotten, even though summers are typically a time for relaxation and vacations. The above maintenance tasks can go a long way to ensure your home remains in great condition. Homeowners who decide these summer home maintenance tasks are not important often end up costing themselves more money in the long run, since deferred home maintenance can be very costly.

Gourmet Chicken Burgers

- 1 teaspoon sumac
- 1 teaspoon ground cumin
- 3 zucchini
- 400g minced chicken breast fillets
- 1 carrot, peeled, finely grated
- 3 green shallots, thinly sliced
- 2 tbsps chopped fresh continental parsley
- 2 wholegrain bread rolls, halved, toasted
- 60g (1/4 cup) bought tzatziki
- Baby rocket & Red sauerkraut, to serve

Step 1. Finely, grate 1 zucchini. Squeeze out excess moisture. Place in a bowl with chicken, carrot, shallot, parsley, remaining sumac and cumin. Season with pepper. Mix well then shape into 4 patties.

Step 2. Preheat a barbecue grill or large chargrill pan on medium-high. Cut each remaining zucchini into 4 thick slices. Lightly spray patties and zucchini with oil. Cook patties for 4-5 minutes each side or until cooked through. Cook zucchini for 1-2 minutes each side or until just tender.

Step 3. Spread bread halves with tzatziki. Top each with rocket, a patty, sauerkraut and zucchini.

Serve with sweet potato and beetroot chips for a low cal healthy option (or any other chips you like!)



What could trip you up when Applying for a Home Loan

Buying your dream home is exciting, so the last thing you want is for your home loan application to be held up. While many factors are considered in assessing an application, showing stability and consistency is key for lenders to determine whether you will be able to repay the loan. But sometimes what's happening in your life can trip you up. Here are some things to be aware of:

- If you're at the other end of your kid-wrangling years and looking at returning to work after an extended break, it may be best to wait until you've been back at work for a few months before applying for a loan. This will give you time to show stability and consistency in your employment record.
- Having a consistent employment record doesn't mean you need to have the same job for years, but if you're planning on applying for a home loan, it might be best to hold off changing jobs. If you do have to, it's worth knowing that with some lenders you'll need to show at least two pay slips with the same employer.¹ If you can show over 12 months in the same job that's even better.

- If you have a probationary period in your new role, it could also be difficult to have a loan approved until you've completed it and the role is made permanent.
- For the self-employed, demonstrating a stable income can be particularly difficult, which is why it's a good idea to have an accountant. They can help you put together financial statements, which you'll need to include as part of your loan application. Generally you'll need at least one year's history to support your application.

If overtime or shift allowances are a significant part of your income, your broker will be able to provide advice on which lenders may take these into account for loan repayment ability, as not all do.



Tracie's update...

Happy New Year!

I hope everyone had a wonderful festive season with all your family and friends. For us, it's an opportunity to stop and have a break and reflect on the year that was.

2019 was such a big year for us here at Cornerstone. We started the year with some uncertainty around the industry and from the findings of the Royal Commission into Banking. From there we heading into a Federal Election which sealed our fate and we were overwhelmed with the support and concern shown from our wonderful customers. In the end, I think many people are now more educated on the role of a Mortgage Broker and the time, effort and care that goes into researching and finding the most suitable home loan for our customers. We are so thrilled to begin another exciting year at Cornerstone and just can't wait to see how the new year unfolds and see what wonderful opportunities are out there for us.

2019 also brought many new customers to our business. First and foremost are the kids of our existing long term customers. These young people are all embarking on their journey into the exciting world of home ownership and we feel so blessed to have had a small hand in the process that lead them to buying their first homes. Thank you so much to all our amazing and loyal customers. It warms my heart so much to know that you constantly trust us to give you sound advice on your home loans and that many of you refer your family and friends to us. This is just wonderful and we appreciate the opportunities this

has brought to our business. A new and very modern way of referring your friends to us has been the through the local community Facebook Pages. Thank you to all of you who have recommended us on these local pages. We have met many new local families this way. Please keep it up!

Don't forget to like our Cornerstone Home Loans Facebook Page.

We are regularly posting blogs and updates to our page and you may find some value in reading some of these articles. Our other big news is that we have been nominated for the Better Business Awards here in Queensland once again for the category of Best Customer Service. This is so exciting for us and we are thrilled to represent our customers and our business at these very special awards next month. As you are probably aware, we are very passionate about our customers and the service we provide to each and every one of you. We want to continue to provide this high level of advice, support and service for many years to come.

Wishing you a wonderful 2020.

I hope to hear from you soon, Tracie



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