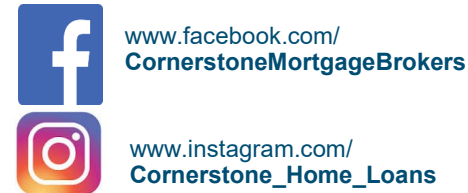




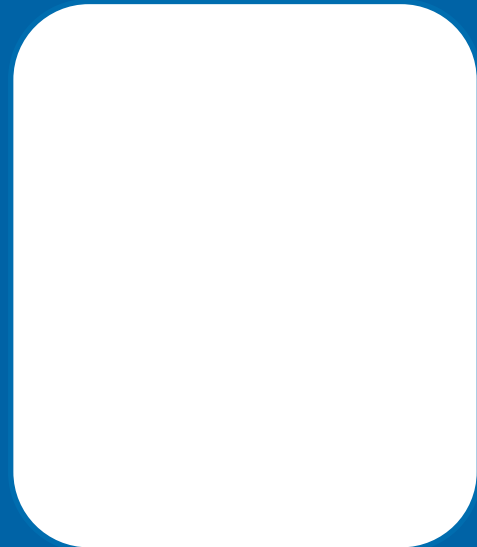
**Tracie's update...**



**Tracie Palmer, Finance Specialist**  
Credit Representative #387282 of BLSSA Pty Ltd, ACL #391237



**A NOTE FROM TRACIE**



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**Why it is a great time to get into your First Home ...**

It is a very exciting time for home buyers at the moment! There are so many opportunities to be able to get into the property market. Not to mention with interest rates at an all time low, in many cases the mortgage repayments can be less than rent.

So lets look at the current government initiatives in place for First Home Buyers

**First Home Loan Deposit Scheme**  
With this government scheme all you need is a 5% deposit and the government will guarantee up to 15% so you don't have to pay mortgage insurance. It also means the lender will pass on very attractive interest rates; both fixed and variable in the 2-3% range.

This is subject to eligibility criteria such as Australian Citizenship, income caps and borrowing of under \$475k in QLD metro areas and \$400k in QLD regional areas. New spots become available on the 1st July 2020 and is limited to 10,000 for the financial year.

If you are interested in securing a spot make sure you have a chat to our team who specialise in helping first home buyers get into the schem

**HomeBuilder Scheme**  
This new scheme was recently announced and all new builds from 4th June 2020 to 31st Dec 2020 for owner occupiers can receive a \$25k rebate, subject to eligibility criteria such as Australian Citizenship, income caps & build prices being adhered to. (Full details on page 2).

For the HomeBuilder Scheme state governments have not yet rolled out the funds or provided a clear process so while home builders can expect the rebate at some point, it can't be used towards the deposit or funds to complete as yet.

**First Home Owner Grant (FHOG)**  
The First Home Owner's Grant is still available in QLD for anyone looking to build a new home for their first principal place of residence and is currently \$15k. For this grant as long as one of the couple are Australian Citizens and the other is a Permanent Resident it can work. Some lenders will also accept the FHOG as part of the deposit.

With the schemes and grants available you can cash in on all them if it meets the criteria! Get in touch if you or someone you know are looking for their first home.

**CALL US TODAY FOR ALL YOUR FINANCIAL NEEDS...**

**Here at Cornerstone we can help you ...**

-  Get a Home Loan
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-  Refinance your Existing Home Loan
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-  Find a Commercial or Business Loan
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## Home Builder Scheme Revealed

sourced from Treasury.gov.au

**With the introduction of the Home Builder Scheme, now might be the time to consider building your first or next home to live in.**

HomeBuilder provides eligible owner-occupiers (including first home buyers) with a grant of \$25,000 to build a new home or substantially renovate an existing home. HomeBuilder will assist the residential construction market by encouraging the commencement of new home builds and renovations.

You will be able to apply for HomeBuilder when the relevant State or Territory Government that you live in, or plan to live in, signs the National Partnership Agreement with the Commonwealth Government.

Information on when and how you will be able to apply will become available through the relevant State or Territory revenue office in due course.

Information about what Homebuilder will mean for the construction industry is available on [business.gov.au](http://business.gov.au) or by contacting 13 28 46.

### Eligibility Criteria

Eligibility To access HomeBuilder, owner-occupiers must meet the following eligibility criteria:

- You are a natural person (not a company or trust);
- You are aged 18 years or older;
- You are an Australian citizen;
- You meet one of the following two income caps: \$125,000 per annum for an individual applicant based on your 2018-19 taxable income or later; or \$200,000 per annum for a couple based on both 2018-19 taxable income or later.
- You enter into a building contract between 4 June

2020 and 31 December 2020 to either: build a new home as a principal place of residence, where the property value does not exceed \$750,000; or substantially renovate your existing home as a principal place of residence, where the renovation contract is between \$150,000 and \$750,000, and where the value of your existing property (house and land) does not exceed \$1.5 million (pre-renovation);

- Construction must commence on or after 4 June and within three months of the contract date.



Process and timing HomeBuilder will be implemented via a National Partnership Agreement with State and Territory governments.

This approach will utilise existing State and Territory mechanisms to distribute the HomeBuilder payments.

When the States and Territories begin accepting HomeBuilder applications, they will backdate acceptance of these applications to 4 June 2020.

**To find out more about how this scheme works get in touch with one of our team of experts.**

## Is now the moment to fix your home loan?

*Australia's cash rate is now the lowest it has been in 23 years, a reaction initially to stunted economic growth and now to the impact of COVID-19 on the local and global economic landscape. As the uncharted negative interest rate zone looms, is it worth fixing your rate? Here's what to weigh up when making your decision.*

The RBA has stood by its promise to keep the current rate of 0.25%, which still represents a historic low.

There was a time when fixed rates were higher, as they were more stable, and variable rates were seen as riskier and were priced lower. Only 15% of Australian mortgages are fixed. Currently, the lowest fixed owner-occupier rate offered by bank and non-bank lenders is 2.09%, compared to the lowest variable rate at 2.39%.

If you're considering whether to fix your mortgage rate, here are some things to take into account.

### To fix...

Given these are the lowest rates in history, and negative interest rates have been all but ruled out, the RBA is unlikely to provide any more relief to homeowners – concentrating instead on monetary policy like quantitative easing. Many banks passed on the early-March rate cut, but fewer did so in mid-March – and as discussed above, it was for fixed rate mortgages only.

In these uncertain times, the reassurance of a fixed rate might be preferable. Certainty on your interest rate means you can budget accordingly – and you can remove potential interest rate hikes from your list of anxieties.

### ... or not to fix

While fixed rates may be more predictable when it comes to making a budget – and most likely lower – they do come with some significant drawbacks.

Variable rates are more flexible. They tend not to come with break costs, which are incurred if you want to exit your fixed loan during the fixed period. If future rate cuts were to occur, you'd be unable to take advantage of them. If your circumstances change, you might not be able to change your investment plans or move lenders.

In addition, there might be limitations to how you can pay back the loan. Additional repayments might be capped, so you can't make bulk or lump sum payments. And Redraw facilities might not be available.

In times when work isn't guaranteed, you might want to stay flexible with your mortgage, in case your financial situation is impacted. The extra flexibility afforded by a variable loan might be more important to you than a lower rate.

### A little of both

Many lenders offer the option to split your home loan into two separate loans, one fixed and one variable. One caveat is that having two loans may mean you end up paying more in fees. You can also tailor the length of the fixed period – most commonly between one and five years, although 10 and 15-year options exist.

Ultimately, it's always most important to make decisions based on your circumstances, not just the conditions of the market. For more information on which loan is right for you, give us a call

## Chicken Hotpot

- 3 sweet potatoes (about 700g), peeled and diced
- Vegetable oil to fry and brush
- 400g banana shallots, quartered
- 2 garlic cloves, crushed
- 1½ tsp smoked paprika
- 2 tbsp tomato purée
- 2 x 500g packs skinless boneless free-range chicken thighs, sliced into 2-3cm strips
- 4 red peppers, deseeded and sliced 1cm thick
- 3 tbsp plain flour
- 400ml chicken stock
- 400g potatoes, thinly sliced

**Step 1.** Bring a large pan of water to the boil, add the sweet potatoes and cook for 12-15 minutes until just tender. Drain and set aside. Heat a glug of oil in the pan and fry the shallots for 5 minutes until softening. Add the garlic, paprika and tomato purée, then fry for a few more minutes.

**Step 2.** Add the chicken strips and stir-fry for 3-4 minutes. Stir in the peppers and the flour and cook for another 2 minutes, stirring.

**Step 3.** Heat the oven to 180°C/160°C fan/gas. Add the sweet potatoes and stock to the pan and bring to a simmer. Cook gently for 10-15 minutes until the sauce has thickened, then taste and season.

**Step 4.** Spoon half the filling into the baking dish. (Freeze the rest for the other recipe.)

**Step 5.** Top with the potatoes, brush with oil and bake for 45 minutes until the potatoes are golden and tender. Serve with steamed green veg.



## Instant Asset Write Off - \$150k Extended to 31st Dec 2020

If you've purchased or are planning to purchase assets for your business, you may be eligible to claim an immediate deduction under the instant asset write-off expansion.

From 12 March to 31 December 2020 (inclusive), the instant asset write-off threshold for each asset increased to \$150,000 (from \$30,000).

To get it right, remember:

- check if you're an eligible business
- both new and second-hand assets can be claimed, provided each asset costs less than \$150,000
- assets must be first used or installed ready for use between 12 March and 31 December 2020
- a car limit applies to passenger vehicles. The limit is \$57,581 for the 2019-20 income tax year
- if your asset is for business and private use, you can only claim the business portion
- you can claim a deduction for the balance of your small business

pool if it's less than \$150,000 at 30 June 2020 (before applying depreciation deductions)

- different eligibility criteria and thresholds apply to assets first used, or installed ready for use, prior to 12 March 2020.

Make sure to talk to your accountant to see if taking advantage of the instant asset write off makes sense for you and your business.

From an asset finance perspective the team at Cornerstone Home Loans can help you secure finance for all types of asset finance.

So whether it is a new car or ute, van, equipment, a shop fit out or something else give us a call. We would love to help you!



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