



Stafford Eaton Properties



*Property Investment
Advisers for the Thinking
Property Investor*



SPECIAL POINTS OF INTEREST:

- Old V's New - which way to go
- Depreciation - does it really matter
- Interest rates - Do they matter
- Shares V's Property - which is best
- Ancient Wealth building Principles
- Completed or Construction

THE STAFFORD EATON STORY

Stafford Eaton has been serving the Australian Property Investor community since 1997. We specialize in research, analysis, selection and recommendation of real estate investment opportunities that stand out head and shoulders above the rest, and our staff offer quality and reliable services you can count on. In addition, our friendly and professional staff are here to answer any questions you may have about our company or our services.

Whether you need an Investment Capacity Analysis, Existing Portfolio Restructuring, or just wish to add Quality Investment Grade opportunities to your existing portfolio, we have what you need at prices you can afford. At Stafford Eaton Properties, our goal is to provide you with courteous, expedient, professional service of the highest caliber.

Stafford Eaton Properties was founded on the belief that investing is easy, unfortunately over the decades many so called investment companies have developed their markets based on huge amounts of hype and emotional blackmail.



No one needs to be railroaded into believing they are going to starve in retirement, as that won't be the case. The truth is that some people do genuinely wish to develop an estate for themselves and their families on which they can build a lifestyle for the future.

For those people the Stafford Eaton Investor Family is here, to assist them in good old black and white facts and figures property investing options.

At Stafford Eaton Properties, the customer always comes first.

Browse our Website www.staffordeaton.com.au for more information about Stafford Eaton Properties. If you have any questions or would like to speak with a Stafford Eaton Properties representative regarding our outstanding investment grade opportunities, please e-mail us at info@staffordeaton.com.au or call us at (07) 5527 8385, and leave your details.

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STAFFORD EATON VALUES

Leadership: At Stafford Eaton Properties, you receive the kind of quality and service you expect from a leader. Our company is always evolving as the needs of our customers change and as new opportunities are created in the market. You can rest assured that, working with Stafford Eaton Properties, you will enjoy the latest services, technology and developments in the industry.

Teamwork: We make it our responsibility to know you and your ambitions and goals. We work closely with you to ensure that the solutions we provide are tailored to meet your unique needs and challenges. We are committed to your success.

Customer Relations: At Stafford Eaton Properties, our highest priority is satisfied customers. You are important to us and you can expect us to go the extra

mile for your business. Superior customer service is the hallmark of Stafford Eaton Properties. We are proud to serve you and work hard to earn your business.

We look forward to being of assistance to you in your drive to wealth creation and beyond as you develop the knowledge and sound strategies to make investing in real estate a pleasurable experience.

THE RISING INTEREST RATE SAGA

This one is surely one of the sore points of the last 18 months.

Didn't we love it when we could go and get a home mortgage for 5.75% just a few short years ago, a vast difference from the 18% rates of the late 1980's.

Let's face it; who wants to pay any interest at all. The main thing that people choose to forget is that it is not the RBA who is to blame for rising interest rates, but instead ourselves. Too

many times we tend to adopt the blind belief that it was someone else's fault.

Rising Rates are due to higher inflationary pressures, yes we know that fuel is going up, so too is food, power, rates, insurances, phone bills etc, but they are not the causes of the average household finding that things are getting tougher.

It is definitely time to ask ourselves a question - if we had no debt at all other than our home loan and our car

loan, would we still be feeling the pressures of a rising cost of living - the answer in most cases is - NO we would not.



Today we are driven by a credit driven, use now pay later philosophy. We can obtain almost any non es-

sential luxury item at a moments notice, with nothing down and nothing to pay for X amount of months. C'mon Australia, it is time to turn on the lights and wake up.

Our debt spiral is rocketing on items we just don't need, so who is really to blame for rising interest rates, maybe it's time that all consumer credit was limited to a percentage of our monthly take home pay.

Just a thought.

SOUTH EAST QUEENSLAND ALIVE

"Brisbane sees continued steady growth despite May-sayer's predicting doom and gloom"

The Brisbane property market continues to play catch-up with the rest of Australia.

As South East Queensland continues to expand with consistent steady influx of people the State Government has many major projects on the go to provide much needed infrastructure.

The areas seeing the greatest demand for new housing are still pushing the urban sprawl westward and northward.

To the west areas the likes of Springfield Lakes, Redbank Plains, Goodna, Ipswich and Bras-

sall are seeing record building applications still being submitted with vacancy rates falling to all time lows.

Northward the suburbs of

Narangba, Kallangur and upward to Caboolture and Morayfield have seen unprecedented growth over the last 4 years, and the markets are still sustaining realistic steady growth margins.

Many editorial commentators are attempting to soften the market with negative comments but the comments seem to be falling on deaf ears.

The South East Queensland market is still being driven by a property demand far outstripping supply, and indicators are that the demand for housing will remain constant. In the medium to long term.

At some point in the future the market will level out and return to a balanced demand/supply situation, but until that happens it's all guns blazing for those with the vision to get into the rental supply game.

Central and North Queensland are also seeing record

growth with property prices soaring due to the demand for housing supply to the mining and resources boom.

Areas such as Mackay have now reached prices approaching that of Sydney due to lack of supply even though the building markets in that area have also been stretched to the limit.

Much higher costs of construction are being blamed for the escalating prices in the central Queensland market with costs as high as \$1600 per sqmtr being asked. Rent returns are excellent while mining and resources are strong, but concerns of a slow down are being bandied about.

All in all investors in that market can seem to do no wrong.

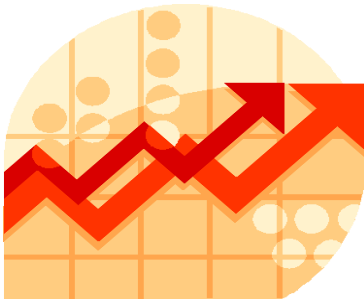
If you require further information on the opportunities that abound drop us a line:

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I N V E S T M E N T O R S P E C U L A T I O N

Investing in different types of strategies is very much a personal thing for most people, however it need not be that way.



Invest Long - Speculate Short

All property and stock assets are solid long term investments, notice the reference here - LONG TERM

So what do you call long term. Is placing money in a term deposit and locking it away for 12 months a long

term investment - I think not.

Comment here cannot be construed as investment advice because the Financial Services Reform Act regulates who can say what about investing, however each of us does have our own personal opinions and that is what is being expressed here.

It is my firm belief that Investing is generally the control of an asset over a period of 5-7 years or longer. Why 5-7 you may ask.

It is common public knowledge that both the property and share/funds markets follow frequent cycles. Although no-one can be specific about the length or frequency of these cycles history has shown that the major cycles tend to come around every 5-7 years.

Hence, retaining control of assets over this period or longer has histori-

cally produced doubling returns for the savvy investor.

For many people the fear of loss stops them from doing anything at all, unfortunately this creates a greater loss long term than actually having a go now.

Short term gains can be fantastic in the right strategy, alas, it is extremely rare for property to have short term gains, but the wait is definitely worth it.

Before making any investment decisions consult an expert. If your favour is real estate then speak to good property consultants, like us. If you prefer shares and funds seek the help of un-biased financial planners.

Anyone that attempts to sway you that one strategy is the only way to go is definitely biased and you need to tread lightly.

N E W V E R S U S O L D

Do I purchase Brand New Property or an existing piece of real estate.

General Real Estate agents will tell you that it does not matter as both properties will grow in relative comparison to their surroundings over time, and yes, this is true.



The difference lies not in the growth but in the costs of ownership along the way. Lets compare the differences:

NEW

- No inherited problems
- Low or no maintenance
- High depreciation
- Greater tax benefits

OLD

- Possible hidden problems
- Higher maintenance
- Low or no depreciation
- Lower tax benefits

Although this is by no means a black and white scenario



the benefits of brand new properties for rental investment purposes poses a more stable budgeting environment for the investor.

For the most part, unless you have access to substantial surplus funds for renovation of older properties the ramifications can be immense.

Renovation poses another

“I can purchase an old house and renovate it to make good money in the Real Estate market”

question. Who is to say the gains you made from the renovation may not have happened anyway in a rising market without having to spend a cent.

We'll never know but it certainly should make you think twice and do your sums.

P A S T 1 0 & 2 0 Y E A R S R E T U R N S

The Australian Stock Exchange has released their annual report on the average 10 & 20 year returns on the main investment asset classes.

Download the report from our website downloads section. It makes great reading. Just login or sign up for your FREE Investor Family membership at: www.staffordeaton.com.au

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"Great to Have Someone You Can Trust"

Stafford Eaton Properties offers the highest quality of service for the research and selection of Investment Grade properties on the market today. The Principal Paul Ian Stafford has been providing superior service to investor clients throughout Australia since 1997 and has assisted them in working towards and achieving their goals. Our 10 years of experience and commitment to excellence have earned us the reputation as the best personal property investment advisers in the market.

I invite you to spend some time getting to know us.

Sincerley

Paul Ian Stafford

Principal



A N C I E N T L A W S S T I L L A P P L Y

No other reference to the building and maintaining of wealth has been more referenced than the Ancient 5 Laws of Gold.

When understood and applied these laws will have a profound impact on your future and that of your children.

Here they are in simplified form for your information

LAW 1

"Gold cometh gladly and in increasing quantity to any man who will put by not less than one tenth of his earnings to create an estate for his future and that of his family"

LAW 2

"Gold labours diligently and contently for the wise owner who finds for it profitable employment, multiplying even as the flocks of the field"

LAW 3

Gold clingeth to the protection of the cautious owner who invests it under the advice of men wise in its handling"

LAW 4

Gold slippeth away from the man who invest it in businesses with which he is not familiar or which are not approved by those skilled in its keep"

LAW 5

"Gold flees from the man who would force it to impossible earnings or who follow the advice of tricksters and schemers or who trusts it to his own inexperience or romantic desires in investment"

We can argue, we can come up with all sorts of excuses as to why we don't or won't follow these principles but at the end of the day the results speak for themselves.

Whatever investment strategy you adopt is going to take advantage of Laws 2,3,4 and 5.

Take heed, do the sums, calculate 10% of your gross added weekly, and find it an average 10% return per annum. Start at age 20 and you should be retired by 45.

Sounds too good to be true, well that's your decision, sit back and ignore these Laws at your own peril.

