

Weekly Banking News

12/Aug/2010

Flats outperform houses for investors

Units have been achieving better value capital growth for property investors than houses according to an analysis undertaken by research analyst rpdata Cameron Kusher. Throughout individual capital city markets, the growth in the value of units has outperformed houses within Sydney, Brisbane, Perth and Darwin over the last 12 months. Of all the capital city markets, Hobart has the most affordable units with a median price of \$254,250 and Sydney the most expensive with a median of \$450,000.

Mr Kusher said that historically, houses did experience a much more rapid appreciation in value than the growth recorded by units over the past ten years. Despite the positive factors for owning a house, units over the last five years recorded average annual value growth of 7.4 per cent compared to 7.1 per cent for houses.

Source: Rpdata

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Landlords shying away from rent increases

Rental growth has remained largely flat in the June quarter according to the Australian Property Monitors' June Quarterly Rental Price Report. Nationally median rents for houses rose by just under one per cent, bringing annual growth to a relatively weak 3.1 per cent. Sydney was the only major capital city to record rental growth for both houses and units, resulting in a weekly median rent of \$480 for houses and \$440 for units.

Higher mortgage costs have hit some landlords hard, but weak consumer spending and concerns over the global economy, reflected in the fall in the local share market, has meant that landlords have been conservative in raising rents compared to the March quarter.

Source: Australian Property Monitors

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Choosing the best savings account

The interest rate hikes seem to have slowed down for now, but there are still some great offers available on savings accounts.

Here are some things to keep in mind when choosing a savings account:

- As a general rule, many of the leading rates for online savings accounts come from financial institutions outside of the major Australian banks.

- Generally, the less access you have to your money after depositing it, the higher the interest rate. In the current market, you are likely to earn

higher interest in term deposits for an extended period (but keep in mind, if interest rates go up you might miss out on higher rates).

- Your savings goals, discipline and motivation are important factors to consider when selecting an account. If you are trying to save money but you know you sometimes lack discipline, it might be a good idea to get an account that either gives you a bonus interest rate for topping up your savings (to help with your motivation) or an account that requires a bit of effort to withdraw money (rather than an instant online funds transfer).

- There are some great high-interest introductory rates on offer at the moment. If you decide to go with one of these, make sure you reassess your position once the offer is over to make sure you're still earning a competitive rate.

- Always read the fine print and make sure the terms and conditions suit you. Watch out for interest penalties if the account drops below a certain dollar value, or if there is a limit to the number of transactions you can make.

As with everything, thorough research is the smartest way to find the best deal.

Source: InfoChoice.com.au

10/Aug/2010

Borrowers waiting for election outcome

During election campaigns, borrowers often wait to see the outcome before acting on their mortgage said Lisa Montgomery, head of Resi Mortgage Corp. "The likelihood for many borrowers being materially affected by these events is negligible," said Montgomery who stressed that borrowers should take a long term view when considering decisions about their mortgage. "Even the flow on from any new radical policies would take considerable time to be firstly voted in and then implemented," said Montgomery.

Source: The Daily Telegraph

10/Aug/2010

Rates to rise again before christmas

Good business confidence data and job ads numbers indicate that another rate rise by the Reserve Bank is a real possibility later in 2010. The latest ANZ employment survey showed that job ads on the internet and in newspapers grew 1.3 per cent in July. That is up 36.1 per cent from its low point a year ago and close to its May 2007 peak in annual

job ads growth of 40.2 per cent.

The latest Dun & Bradstreet quarterly survey of national business expectations has shown business confidence to be improving strongly. Australian executives are expecting a sharp turnaround in sales and profits during the December quarter. ANZ chief economist Warren Hogan forecast the RBA would lift the cash rate to 5 per cent from 4.5 per cent by the end of the year. TD Securities senior strategist Annette Beacher also predicted that rates would hit 5 per cent before Christmas.

Source: Herald Sun

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Mortgage sales grind to a halt

Sales of new home loans fell to their lowest point in nine years in June, according to the Australian Bureau of Statistics. Australian housing finance commitments for owner-occupied housing fell 3.9 per cent in June, almost twice the market forecast of 2.0 per cent. Total housing finance by value fell by 1.9 per cent.

Finance for construction projects fell by five per cent in June. AMP Capital Investors chief economist Shane Oliver said "It's basically telling us the housing recovery that we've seen over the last 18 months has come to an end, we can't rely on housing construction to continue pushing the economy ahead. Weakness in housing finance would also flow through to weakness in house prices, Dr Oliver said. "It's another reason for the Reserve Bank to leave rates on hold."

Source: Herald Sun

09/Aug/2010

Auctions now a 50/50 bet in Sydney

Auction results improved slightly this week in Sydney with 6 per cent of 349 properties listed for auction on Saturday selling on the day. Last week 55 per cent of 357 properties sold at auction in Sydney. On the same weekend last year, 68 per cent of 244 properties sold at auction in Sydney.

In Melbourne, 68 per cent of 500 properties put up for auction sold under the hammer on Saturday. Last week 67 per cent of 545 auctions held in Melbourne produced a sale. On the same weekend last year, 81 per cent of 438 properties produced a sale. In Adelaide, 53 per cent of 38 properties sold at auction. In Brisbane, 25 per cent of 31 properties listed for auction sold on Saturday.

Source: Australian Property monitors



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New Film to Test Same-Sex Marriage Laws in Greece

A feature-length movie scheduled for release in 2012 is set to highlight the legal mess in Greek law regarding same-sex marriages. The story concerns a grandmother on an island in the Dodecanese who is shocked to discover her only grandson is planning to marry his American boyfriend in a plot inspired by what happened on Tilos in 2008.

Shocking the Donkeys, subtitled The gay marriage that rocked the cradle of civilization, is expected to draw attention to the fact that Greece refuses to consider same-sex marriages and that polls show 85% of Greeks are against it.

The screenplay is the brainchild of British author James Collins who lives on Symi in the Dodecanese, and the film is being produced by a consortium of UK-based film companies. Shooting is expected to take place next summer.

The makers hope the project will bring a much needed boost in gay tourism to the region, in the same way that Skopelos experienced a massive surge

of straight visitors looking for a romantic wedding following the release of Mamma Mia! They want, however, to avoid the mistake of that project which left thousands of tourists disappointed when they discovered many of the locations didn't actually exist and were only sets.

"Whichever island is chosen as the location for Shocking the Donkeys, we want the film to showcase real places, real features and real cultural traditions and customs," said James Collins. "When they visit the island, we want them to see and experience everything they saw in the film, except the characters, of course."

Although in 2008 the then Greek justice minister, Sotiris Hatzigakis, said he believed gay marriage was illegal in Greece, gay rights campaigners claim the law is uncertain because it doesn't specifically state that couples have to be of opposite genders. The film will exploit this legal loophole and feature a mayor who believes the marriage can go ahead, and a police

chief who threatens to arrest him if it does.

The film comes at a time when gay marriage has come to the top of the social agenda in many countries including the USA, Argentina, Australia, and several African countries (where it is being strongly opposed).

"I hope this film is successful and leads to a surge of gay couples worldwide thinking of having their own Mamma Mia! experience on one of the Greek islands," said James Collins. "Such a surge in demand would force the Greek government into a discussion on the issue and do something about it rather than leaving it to people taking the law into their own hands," he added. Shocking the Donkeys, a romantic comedy which treats the issue with a light but serious touch, has a happy ending in which the community is reconciled to the idea of gay marriage and benefits from a massive surge in gay wedding tourism.

by Anastasios Papapostolou
Article from the Greek Reporter