

Tighter lending stalls buyers

FALLING interest rates are failing to help many potential first-home buyers because of tighter lending practices by banks.

The chief executive of comparison website helpmechoose.com.au, Adir Shiffman, says banks should stop blocking efforts to bring home affordability within reach of first-home buyers.

He said up to 90 per cent of new loans were channelled through the big four banks.

"Before the global credit crunch they were happy to lend over 100 per cent of the value of a property but now that figure is closer to 90 per cent and they are demanding genuine savings of 3 per cent," Dr Shiffman said.

"What that means is for many prospective first-home buyers the Government's first-home buyer grant isn't enough for them to qualify for a loan, so they are stuck in the rental trap."

INVESTING | Education crucial Word of advice on going alone

PLEASE do not tell my wife about what you are about to read. Last week, I made a very bad investment mistake.

I accidentally paid 3600 per cent too much to buy a share in a company.

Luckily, in dollar terms it wasn't painful but it still hurt to spend \$22 to get one single share worth just 59c.

Going into the gory, technical details may be confusing, so let's just say it involved online share trading and a lack of education by yours truly.

Any lesson learnt is a good lesson, and mine was that even people who think they know what they are doing can sometimes become investment idiots.

Education is crucial when investing and if you are not 100 per cent sure about what you are doing, it pays to get help.

Financial planners are always under fire for the fees and com-



ANTHONY KEANE

missions they receive. They've become a bigger target in the past 18 months as clients wonder why they pay someone to lose money that they could easily lose themselves, and probably have more fun doing it.

The financial planning industry is slowly moving from commission-based remuneration to a fee-for-service model, but struggles to convince people they need financial advice like they need a tax accountant or a doctor.

Finding a financial planner who is truly independent may be tough, but if you get a good one the expense is worth it.

Strategies they recommend can save you tens of thousands

of dollars by taking advantage of superannuation and tax rules.

A big negative is that very few planners recommend investing in Australians' favourite asset class, direct residential property, but nobody's perfect.

A good financial planner will not only advise you but help educate you about investing, retirement planning and how financial markets work.

It's wise to shop around and meet at least three different planners before deciding on one. Word of mouth can be a great help, so ask friends, relatives and colleagues if they know a good one. If you still want to do it yourself, make sure you are educated. Use books, magazines and the internet, talk to successful investors and get second opinions.

Otherwise you might join the long and growing line of investment idiots, right beside me.

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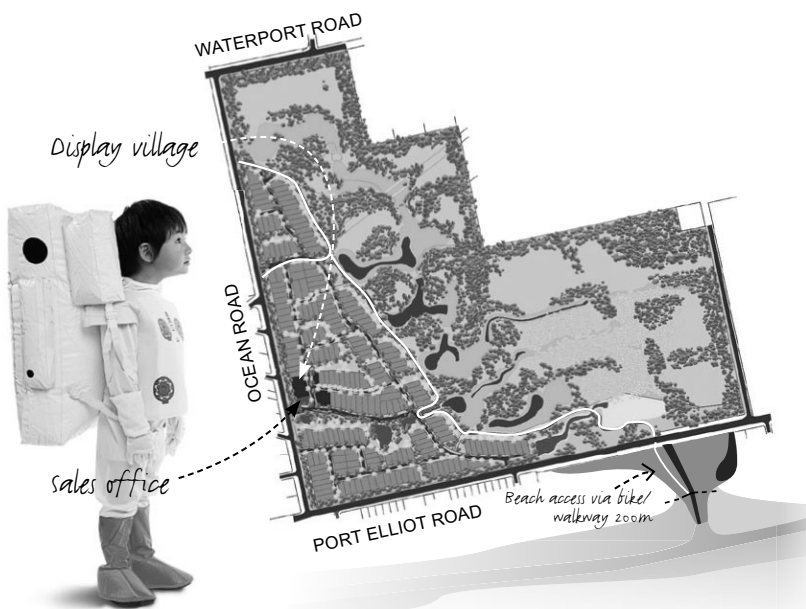
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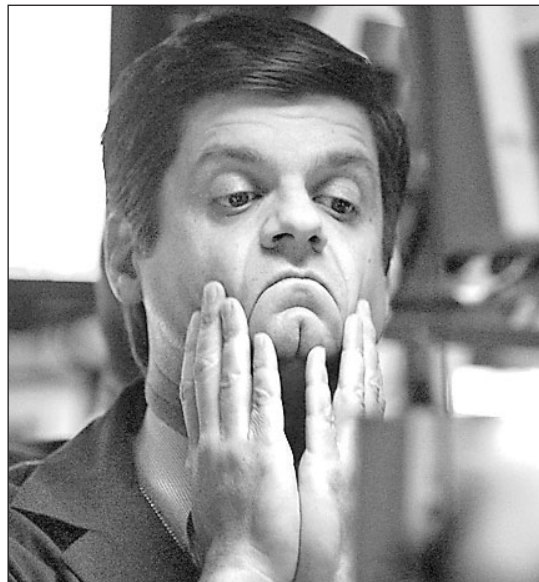


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Wobbly market lures 'chartists'



RISKY: Many day traders have been hurt.

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"If you don't have discipline you can be wiped out completely, and most have been in this bear market."

However, in the past three to six months the volatility had become more predictable and some traders were starting to wade back into the market, Mr Legrand said. He said most day traders used technology to help them monitor movements in shares, derivatives, commodities and even foreign currencies.

They usually "closed out their positions" at the end of the day to avoid being hit by overnight moves in offshore markets, he said.

"A lot use software, but so many other

strategies and methods can be successful... It's a matter of being good at your strategy and having the discipline."

The Australian Securities and Investments Commission's fido.gov.au website warns consumers to be wary of glossy brochures that promise riches and promote share-trading software.

It says share trading demands business skills and ability.

"By itself, software does not guarantee success, as the fine print in the glossy sales brochure states," ASIC says.

"Just like any business, share traders must keep their noses to the grindstone, making enough successful trades to cancel out the losses."

CALENDAR

■ **TOMORROW:** Free seminar on structuring of investment properties - what entities to use, at Kennedy & Co Chartered Accountants, Unley, 6pm. To register phone Dawn on 8373 5588.

■ **APRIL 15:** News Corp to pay its 6c per share interim dividend.

■ **APRIL 15:** ASX/ASA Investor Hour seminar - policing corporate behaviour, with ASIC's regional commissioner for SA, Mark Bielecki, Palace Nova East End Cinema, Adelaide, noon. Tickets cost \$5 and can be bought at the door 30 minutes before the presentation

■ **APRIL 16:** Understanding your pension free seminars, Oaklands Park and Port Augusta. Seminar repeated at Whyalla on April 17. Bookings Essential. Phone Centrelink Financial Information Service on 13 6357.

■ **APRIL 20:** Free retirement and redundancy seminar at Goldsborough Financial Services, Unley, 2.30pm or 6pm. Bookings essential. Phone 8373 4448.

■ **APRIL 20:** Understanding your pension free seminars, Modbury and Gawler. Bookings Essential. Phone Centrelink Financial Information Service on 13 6357.

■ **APRIL 22:** Adelaide Brighton to pay its 8.5c per share final dividend.

■ **APRIL 22:** Free seminar for Super SA members, Goldsborough Financial Services, Unley, 5pm. Bookings essential. Phone 8373 4448.

MONEY TALKS

“Your face is OK but your purse is too tight. I'm looking for pound notes, loose change, bad cheques, anything.”

- MOCK ROCK GROUP SPINAL TAP



GOING UP

ALL ORDINARIES PAST MONTH	THURSDAY'S CLOSE	RISE
ING Real Estate Comm.	7.4c	290%
Alesco Corp	\$2.55	289%
NRW Holdings	80c	233%
HFA Holdings	18c	210%

PAST YEAR

Extract Resources	\$3.95	238%
Quantum Energy	14c	211%
IMF Australia	\$1.38	148%
Customers Limited	\$1.89	139%

GOING DOWN

ALL ORDINARIES PAST MONTH	THURSDAY'S CLOSE	FALL
Otto Energy	6.8c	-77.1%
CI Resources	74c	-26%
Iluka Resources	\$3.22	-24.6
Fisher & Paykel App.	34c	-22.7%

PAST YEAR

Albidon	3.9c	-99%
Babcock & Brown Power	4.8c	-97.3%
Valad Property Group	3.8c	-95.3%
Living & Leisure	2c	-94.4%

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