



WealthDesign FP

September Recap Newsletter

The Property Market

If you've been reading these newsletters, you'll remember we've talked about how, despite signs and trends that would indicate housing prices would drop, housing prices would continue to **rise**. Lo and behold, the rising **continues** after a **short downward trend**. In Perth, in this last month alone, housing prices have risen by an average of **2.5%**. With such a sharp increase in Perth, this is causing everyday, young Australians to wonder when the relief will come, but due to many factors (including, but not limited to the USA's conflict in Iran, interest rates, cost of living), but there doesn't seem to be any signs of relief for the market, as it is consistently **outgrown** by the population of potential residents. With around **150,000 houses** being built in Australia, and close to **400,000 Australians** turning eighteen, supply is constantly being taken **over by demand**. Experts are claiming that any sign of falling in prices is purely temporary, but the overall trend is in growth. While a record amount of houses are being put up for sale, young Australians struggle to buy.

ETFs Growing

In the arena of investments, it can be hard to know what to put your money into, especially if you want to see a return on your investments. Investments are often seen as a **high risk high reward game**, however, if you know what you're looking for, investing in ETFs are a relatively low risk investment, with a middle to high level of reward (of course, it goes without saying this newsletter is **NOT** a replacement for financial advice, **NOR** is it a form of financial advice). In the past year, the ETF market has grown by **27.8%**, making it one of the most expansive, profitable, and stable markets going right now. It can be tempting to jump right into the ETF market, but there can be a lot to take into account before you start investing. Take the following into account, and contact us if you think ETFs are right for you.

What Is An ETF?

ETF stands for **Exchange Traded Fund**. Essentially, they are a collection of traded funds you can invest in, in the form of an investment portfolio. These can vary in assets, such as:

- Australian and international **shares**
- Shares in a **specialised market** (such as Technology, mining, coal, defense)
- **Cash**,
- **Precious metals**
- **Foreign assets**.

With ETFs, **diversity** is the name of the game, and diversity in assets is what makes them a safer option when it comes to investment.

Superannuation for Mortgage?

In this upcoming election, the idea of paying off your mortgage using your superannuation is being toyed with as an election ticket by different parties. While a good idea on paper, many critics are calling the policy **"Extremely short sighted"** as it would take away retirement income from the elderly, as well as crippling younger Australians' chance at home ownership. The age in which retirees are paying off their homes has been getting pushed back further and further, as it is with the age younger Australians are expected to make enough to put down a home deposit. Realistically, using super to pay off mortgage would be crippling in the long run, and would have kick-on effects to **compounding interests**, and **interest rates**.

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Superannuation to be Abolished?

On top of conversations about allowing Australians to use their **superannuation to pay off** their mortgages, a conversation about abolishing the **Keating government's** compulsory super contribution is happening. **Certain parties** are playing with the idea of allowing Australians to forego superannuation contributions for the first three years of their job in order to receive a bump in pay. Foolishly, this sounds like a good idea on paper, like many of the world's worst ideas. However, **in practise**, this would cripple Australia's future elderly, and their chance at retiring at all. As medical research and technology, and standards of living advancing and increasing, Australians in the future are expected to live longer than they are now. This would mean a future of elderly Australians **struggling to make ends meet** because of wanting to take a shortcut for short term gain. Not to mention, the rate of **homeownership** would be the lowest it would ever be in decades. Australia has one of the world's most advanced and streamline super programs, and maybe it should stay that way instead of any short term gain, especially as a policy stunt for political parties. For more **stable retirement rates**, and homeownership in the future, superannuation should be preserved, as well as more privatised options for home loans, such as reverse mortgages, should be explored.

Reverse Mortgages

Ever increasing in popularity, more and more Australians are looking into **reverse mortgages** as an option to either buy a home, or to make renovations around the house. Just this month, a Sydney man, **Michael Simonovic**, was able to take out a **\$80,000** loan in the form of a reverse mortgage in order to renovate his home. At the age of 62, Michael is among the younger of the age range of people taking part in a reverse mortgage. "[I didn't know] that a person like me at my age could access some level of equity in my home" says Simonovic. Michael plans on using the loan in order to make cosmetic renovations to his home, increasing its value at an estimated **\$300,000**. Michael's story is one of many success stories of reverse mortgages, and their **flexibility** within the lives of Australians. While feeling risky, if you are **financially stable**, and willing to take on monthly repayments, a reverse mortgage can cover home renovations and first home deposits. Please reach out to us if you feel reverse mortgages is a good fit for you.

RBA Rate Hike

The **Royal Bank of Australia** is set to announce yet another hike in rates, reducing the rate of home purchases by an immediate 5%. **Homeownership** is expected to follow with a fall of **0.3 %**, which would take decades to recover from. With every rate increase, an estimated **30,000** homes would be locked outside of ownership.

Although the biggest hike has already past, smaller and smaller hikes are expected to be on the way, still having a sizeable effect on the market. In 2026 alone, there have been **three rate increases** already, with another expected to come by close-of-business **Tuesday the 29th of September**.

With the trend in **increase of rates**, it is unexpected anyone who does not already own a home will be able to buy one, at least, not without a large sum of money hitting their wallets out of nowhere.

Talk to us today – the right advice starts with a conversation



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