

2014 Annual Review



December 2014

Another year comes to an end (where did it go?!) and before we know it, the Chocolate Bunny will be rearing his floppy ears.

Who can deny that the past 2 weeks have been littered with heartbreak, locally and internationally. One cannot fathom what the Parents & Families must be going through and regardless of your faith/beliefs, I'm sure you will all join us in praying/hoping for relief of their pain and in their emotional recoveries. Sad times we live in. But all is not lost with the outpouring of emotion, care & thoughts post tragedies drawing a nation together! I have never experienced such a united stand from the sporting world collectively over Phil Hughes passing, and then followed up by a Country in mourning over Martin Place and the shock of the Cairns tragedy. More of this caring will go a long way towards increasing peace & tolerance – something we should never take for granted in this fragile world...

It's been another great year for us at Home Sweet Loans and we would like to begin by thanking each and every one of you for your support! We cease to exist without you and that is something we don't take for granted. We did have our first dissatisfied Client in nearly 10 years though, and while that was very disappointing, we remain confident that we did everything in our power to appease them. It did however remind us to review our processes to ensure we covered all aspects of our Client Service proposition. It's surprising how you can still improve a process just when you think you have it nailed. We'll also be introducing a few new initiatives in 2015 that I'm certain you will all be happy with (except for you Glen B – you may not be happy with anything... & NO, the Tigers will not win the NRL Title either!)

We are also actively seeking a young talented person for the newly created role of Client Service Officer. Ideally this person will be a school leaver or shortly thereafter ie 18-19yo. If you know anyone that could fit this very Client Service focussed role, please contact us for further information.

On a personal front, not a lot of fish terrified from my presence but hope to give them a scare over the next few weeks! 2 at school, a 3rd to start in 15, and the youngest debuted at Kindy. Our oldest also scored a place at Churchie for Year 4 which we hope will greatly enhance his development and opportunities. Just not looking forward to the monthly invoices... eeeek!

So breaking from the usual format for the EOY Review, there won't be too much focus on Interest Rates & Property other than to briefly spruik all is well on both fronts. We'll have a look at we've done, who we've helped, and what we'd like to achieve in 15.

At the end of this update, we've rehashed a politically correct 'seasons greeting' – hope you enjoy it!

Thank you again for your wonderful support, and please have a safe & wonderful festive season. Most importantly if you have children... hug them tight every night! ☺

Interest Rates/Lending/Property

The RBA has had the Cash Rate at 2.50% for 16 straight months with some analysts tipping the next move to be a cut... not sure about this one but the one item I garner from the RBA rhetoric is that we are in a period of interest rate 'stability'. Will cutting achieve much other than save you and I a few \$\$/month? I for one will not be rushing out to spend the savings in interest, and I'm sure there'll be many like us. Hence I'm not buying into a cut to stimulate the economy. Theoretically though, lower rates should provide a boost to housing market conditions. If this does occur, it is likely to be balanced by lower consumer confidence and softer labour markets.

Fixed rates remain at all-time lows! With 2 year rates ranging from 4.59% to 5 year rates at 4.99%, it would be worthwhile considering fixing. Obviously there are limitations while fixed so you need to consider this too, but we're always willing to cover these with you. Please contact us to discuss.

There are some very competitive variable rates too with a lot of 'my friend' stories – no offence to anyone or their friends but we all have a friend that has something better or greater, just like I have a 'cousin' that can supply anything (I am of Lebanese decent after all). Banks are pricing for business but again, there's conditions. Not everyone will get 1.00% or greater off the SVR. Pricing is dependent on Loan Amount and LVR (equity in the properties) – the bigger the loan, the lower the LVR eg 80% or less, the greater the discount. A \$250000 loan at 95% is not the business Lenders are pricing for. \$500000+ with an LVR <80% will get you 1.00%+. It's also important to factor the cost of refinancing and the strength of Lender you are considering – we only had this lesson circa 3-5 years ago.



Our guests at the HSL Table for the HTW SEQ Overview Brekky

Still lots of stories from Clients missing out on property due to it being snapped up by another buyer. I've always maintained that if you price a normal property correctly, you will sell it relatively quickly.

Brisbane has fared well in 2014 with a 5.2% increase in Dwelling Values (National average 8.5%). RP Data reports:

The markets where there has been some acceleration in the rate of capital gain over the past year are Brisbane, Adelaide and Hobart. These are likely to be the cities to watch for a stronger performance over the coming year.

We haven't seen too much investor activity in 2014 and my concern is further strengthened by the recent APRA announcement around investment lending. This may act to restrict the availability of finance to investors. The banking sector is under scrutiny to keep growth in investor loans at slower than 10% pace of growth which is likely to have some downwards pressure on investor related housing demand. I have commented before on their desire to restrict the LVR to 90% or less. Notwithstanding this, my opinion over the past 2 years has been one of 'buy & hold'. The days of the quick lick & flick or short term hold are over (for the foreseeable future).

Overall RP Data are expecting 'another solid year of housing market conditions and further capital gains, albeit at a more sustainable rate than what we have seen over 2014'. I concur!

Our Year!

Another year of growth for us – our 3rd straight! It's amazing what you can achieve when you get off your butt and decide to work... I have to admit that this year would not have been possible without our amazing CSM Rachel! Rachel will be sorely missed when she waves Bon Voyage at the end of June on her way to make frog's legs & snails her cuisine of choice for a year. Bonne chance Mademoiselle –vous allez nous manquer (don't ask me to repeat that!); Hence the search for the 'heir apparent'... no easy feat!

While on staffing, we waved goodbye to Phil in June after 8 years as co-owner and hence HSL is now solely owned by Moi. We have also recently agreed to mentor a new Home Loan Credit Adviser – Steve Honan. Steve and I have a 20+ year history as good friends and co-workers, and he has finally made the life changing decision to work for himself. Welcome aboard Steve and look forward to a big 15 together – and now I finally get to 'manage' you haha!

We seem to have fallen into the time consuming space of Construction finance however we've also become known as 'experts' in this field. Trust me it's not hard given the amount of business we're doing in this space. That's where the opportunities lay due to its complexities so we'll continue to develop our presence in this space. We're currently servicing 5 Stockland Communities, Yarrabilba for Lend Lease, 2 Peet Communities, Ecco Ripley and several Sales Professionals at well-known reputable Builders including Hallmark/Stylemaster/Panther/360 Builders. Sincere thanks to all our Referrers – we look forward to more 'Norman Steaks' in 15 ☺.

Excitingly, our Sponsorship of Bayside United FC has been extended for another 2 years! I've also scored sleeve sponsorship on all Club jerseys and exclusive sponsorship of the O35's Squad (in addition to the in house Junior Comp). We've already helped a number of BUFC families into their homes and hope to help more over the next few years.

The HSL Footy Tipping Comp was another great success with 80 tipsters participating in over \$1700 in prizes. Special mention must go to Greg A who donated his winnings to Bravehearts – a wonderful gesture Greg! Due to the nature of the 'bonus tips' the comp will be renamed to the HSL Sports Comp in 15. Invitations in your Inbox in early February...

Our Office underwent a major facelift, which saw Rachel score a new Office! Ultimately though, it allows us to add another 2 people to our Team.



Our Loan Activity for the year (based on the number of loans submitted):

Purchase Existing Property (Owner Occupied)	30.6%
Construction of Home	24.2%
Vacant Land	19.6%
Refinance	12.3%
Increases/Miscellaneous	7.8%
Purchase Existing Property (Investment)	5.5%

All but one Construction Loan was for Owner Occupation. Can't recall the last time Investment Purchases represented such a low portion of our business, but not surprising in a buoyant market. Most Investors tend to do most of their buying at the 'bottom' of the property cycle.

So what's on my wish list for 2015...?

- ✓ Another 'Rachel'... ☺ (or Rachel realising how good she's got it and that France is overrated hahaha! I'm laughing on the inside, honestly...).
- ✓ Continued growth – we have experienced a 70% increase in 2013 & 44% in 2014 (based on Loan \$ volume). I'd be stoked with a 25% increase from where we are...
- ✓ Solidifying our current Referrer relationships, and perhaps add another few quality Referrers.
- ✓ Over 100 participants in the dodgiest Tipping Comp going around.

Personally...

- ✓ MORE Fishing, especially with the kids!
- ✓ A successful 1st year at Churchie for Jibreel
- ✓ A Premiership on debut for my newly created BUFC Div 4 Soccer Team
- ✓ A 2 week holiday in Noosa in December...

THANK YOU ALL again for your wonderful support! We look forward to seeing/speaking with you in 2015! May it be prosperous for each and every one of you!

Home Sweet Loans - Housekeeping

On our website is our '**Budget Organiser**' Template. This Organiser has been designed to assist you in implementing a budget or simply tracking your expenses. It's amazing where your money goes once you decipher it on paper! You can download this for FREE! I'm also open to any suggestions on how we can improve it too!

PLEASE NOTE that we are here to assist during the Application process, and post Settlement. If you require any assistance whatsoever once you have your loan in place, please call us at anytime. This alleviates any issues that you will encounter dealing directly with your respective Lender, especially when it comes to Product switches and Discharges/Releases.

We Value Your Thoughts!

Gift Vouchers, Movie Tickets, a night at the Footy, lunch/dinner at sumptuous Restaurants – the more of your family & friends you refer, the greater your rewards! We also conduct a regular competition through our Quarterly Magazine. Throughout the year, we conduct several competitions that are exclusive to our 'Email Alert' members & Facebook 'Likers'.

Take Care
Tarek

NOTICE TO OUR CLIENTS:

Please accept with no obligation, implied or implicit, my best wishes for an environmentally conscious, socially responsible, low stress, non-addictive, gender neutral celebration of the summer solstice holiday practiced with the most enjoyable traditions of religious persuasion or secular practices of your choice with respect for the religious/secular persuasions and/or traditions of others, or their choice not to practice religious or secular traditions at all. I also wish you a fiscally successful, personally fulfilling and medically uncomplicated recognition of the onset of the generally accepted calendar year 2015, but not without due respect for the calendar of choice of other cultures whose contributions to society have helped make our country great, and without regard to the race, creed, colour, age, physical ability, religious faith or sexual preference of the wishee.

* By accepting this greeting, you are accepting these terms:

This greeting is subject to clarification or withdrawal. It is freely transferable with no alteration to the original greeting. It implies no promise by the wisher to actually implement any of the wishes for her/him or others and is void where prohibited by law, and is revocable at the sole discretion of the wisher. The wish is warranted to perform as expected within the usual application of good tidings for a period of one year or until the issuance of a new wish at the sole discretion of the wisher.

Best Regards (without prejudice)
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