

# 2015 Annual Review



December 2015

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

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! Our growth is not without its challenges & frustrations at times, however we cease to exist without you and that is something we don't take for granted. We are always here for you – no ifs or buts!

With our gem Rachel about to embark on her 12 month French lesson (Jan/Feb 16), we are actively seeking another young talented person to join our Client Service Team. Ideally this person will possess a vibrant & bubbly personality, be well presented, and seeking a position with a long term focus and future opportunities to develop as a person and a member of the HSL Team. If you know anyone that could fit this very Client Service focussed role, please contact us for further information.

Interest Rates remain steady (Cash Rate 2.00%) and the forecast is for more of the same in 16. SEQ Property also remains steady with a sustainable 4.3% Annual increase (Dec 15). Vendor discounting sits at 5.3%. In my opinion, all these numbers are solid moving into 2016, with any talk of bubbles etc purely related to the southern markets. More later...

On a personal front, still not a lot of fish terrified from my presence but hope to give them a scare over the next few weeks! Home Reno's are also on the agenda with a move to acreage on the cards in 2016 (if we can get our heads around the cost!). My HSL sponsored Soccer Team narrowly missed Finals on 'for & against' in our 1<sup>st</sup> season together in the QMF O35's comp – while a wonderful achievement, we are all eager to go one better in 16 (sacked a couple – recruited a couple – that's footy haha). Our HSL sponsored O35's Div 3 Team took out the Championship – great effort!

Our oldest Jibreel finished his 1<sup>st</sup> year (4) at Churchie and he performed fantastically well. Jibreel received a High Distinction in the Australian Maths Comp (1 of only 2 awarded to Churchie Prep (Primary)) and also nailed a Year 4 Academic Merit Award. Very proud parents!

At the end of this update, we've rehashed a politically correct 'seasons greeting' and a pic montage of 2015 – hope you enjoy it!

Thank you again for your wonderful support, and please have a safe & wonderful festive season. ☺

### Interest Rates

The Cash Rate remains at a historical low of 2.00%. The same rhetoric we were hearing at the end of 14 seems to have been repeated throughout 15 – steady as she goes etc etc. Notwithstanding this, Lenders moved outside of the RBA cycle for the first time since the GFC. As previously stated, the main driver behind these moves is that Australian Banks have until July 2016 to raise \$7 billion under new rules requiring a bigger cash buffer. The Australian Prudential Regulation Authority (APRA) requires Banks to have cash reserves at 25% of mortgage books. This is also to guard against another 'GFC' type meltdown.

My opinion remains in that we'll see another 0.25% - 0.50% increase in margin (notwithstanding any general Rate increases) over the next 6 months. It's one thing for consumers to drive down the rates through increased discounting (predominantly media induced) and therefore reducing margins, but at some point Lenders will be looking to reclaim those margins before Shareholders oil the guillotine.

Fixed rates remain at all-time lows. With 3 year rates ranging from 4.09% to 5 year rates at 4.59%, 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. \$250000+ with an LVR <80% will get you up to 1.36% off the SVR (new business only). 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.

Again, please contact us to discuss/review your Interest Rate options.

### Lending

The latter part of 2015 has seen some tightening of Lending policies as APRA again seeks to maintain (tighten) prudent lending guidelines. With Rates at all-time lows, their primary concerns centre around people borrowing to their maximum in a low interest rate environment. You don't have to be Einstein to decipher why they're concerned by this. Rates will not be this low forever and hence are overseeing Lenders policies predominantly around income sources used and to what extent, & cost of living expenses that are factored into calculations. Anyone who has obtained a home loan through us in the past few months will have noticed that we now ask you to complete a personal household budget in support of these measures.

We've also experienced more thorough investigation of those with 5% genuine savings, with any deposits not linked directly to income being excluded from the 5% until held for 3 months.

Investment Lending was the first wave of APRA tightening with LVR's reduced and negative gearing benefit calculations tightened (& even made redundant with some Lenders). While CBA still lends to 95% (inc LMI), most Lenders are at 90% (inc LMI) or below.

No-one is certain what the early part of 2016 holds for Lending policies, but most of us experienced Professionals feel there are more to come... watch this space.

### Property

Brisbane has again fared well in 15 with a 4.3% increase in Dwelling Values, slightly down from 2014 at 5.2%. (National average 8.9% - up from 8.5% in 14).

The recent report issued by the Urban Development Institute of Australia (Queensland) Research Foundation noted that Owner occupiers are expected to return to the market in force as their choices widen and the outlook for interest rates remains positive. The Report (prepared by The National Property Research Company) gathers market intelligence from industry players – real estate agents and developers across 15 regional Qld areas.

The Report included the following:

- South East Queensland hotspots include Brisbane, Gold Coast, Ipswich, Logan and Moreton Bay <are there any other SEQ areas not mentioned??>, all showing price growth in land and house sales volume.
- In Brisbane, almost all respondents reported a rising market across all forms of housing over the last six months. Interest rates and population growth were cited as the most positive market influences.
- The outlook for the Sunshine Coast is positive. Whilst median price rises were slight across the board, the hospital nearing completion, investigation into improved transport infrastructure, economic diversification and improving domestic tourism figures buoyed the market.
- In Ipswich, the market is steadily rising, although there was concern about the negative impacts of low employment growth and infrastructure investment that may limit growth.
- Logan, Gladstone and Toowoomba led the state for land, with modest growth in land volume sales. Toowoomba is riding the wave of infrastructure projects, and there was strong agreement that demand had increased across the board for all forms of housing. Logan has reaped the benefits of two major masterplanned communities and may well prove to be Brisbane's newest and most dynamic corridor.
- The outlook for the Gold Coast is very positive with a large majority of respondents confident about a continued rising market, particular for houses, and very healthy overseas demand from both investors and owner occupiers.

### **Our Year!**

Another year of growth for us – our 4<sup>th</sup> straight! Once again, my amazing Team led by Rachel have been fantastic. We've added Alanna & Rachelle and hope to add another with Rachel jetting off shortly.

The HSL Footy Tipping Comp was another great success with over 70 tipsters participating in over \$1800 in prizes. This year including quite a few 'exotic' Bonus Tips with the Comp going down to the wire. Special mention to Allan G who took out the Overall comp again for the 3<sup>rd</sup> straight year! Less said about my performance the better. Invitations in your Inbox in early February...

2015 saw us increase our business by 14% (\$ Volume).

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

|   |       |
|---|-------|
| Land/Construction of Home                   | 46.5% |
| Purchase Existing Property (Owner Occupied) | 29.8% |
| Refinance                                   | 11.4% |
| Increases/Miscellaneous                     | 7.5%  |
| Purchase Existing Property (Investment)     | 4.8%  |

We've also secured a partnership with an Insurance Brokerage Firm. Their business is predominantly referral (akin to us) and I'm confident they will offer you the same service as you are accustomed to receiving from us. Please contact us if you would like to have your current Home/Car/Boat Insurances reviewed.

So what's on my wish list for 2016...?

- ✓ Another Team member... (or Rachel realising how good she's got it and that French is overrated haha! Maybe they'll close their borders to incoming people... I'm laughing on the inside, honestly...).
- ✓ Continued growth with an increased focus on existing property finance – construction is hard work!
- ✓ Enhanced awareness amongst our Clients that we are your 1<sup>st</sup> point of call for any Home Loan related queries/issues, regardless of Lender.
- ✓ Over 100 participants in the dodgiest Tipping Comp going around.

Personally...

- ✓ MORE Fishing... that's a wish every year!
- ✓ A Premiership for my BUFC O35's Soccer Team
- ✓ A long awaited move to Acreage... we're just too loud for neighbours!

THANK YOU ALL again for your wonderful support! We look forward to seeing/speaking with you in 2016! 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)  
Home Sweet Loans ® - ©2012

**2015 in pics next page...**





Some Fishies...

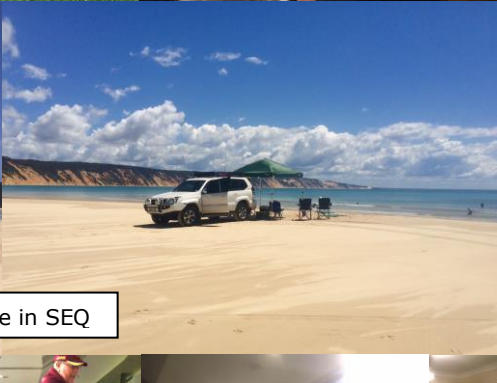
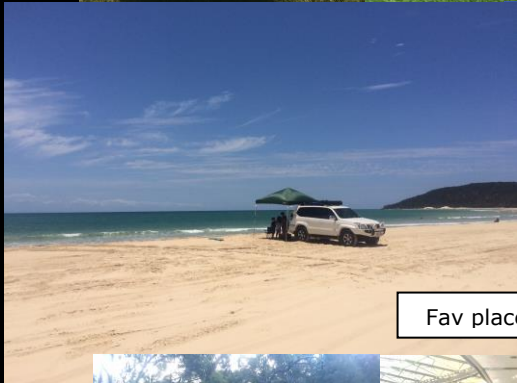


Bear on a board



Future Roar or Lions player...hmmm

Reward for effort



Fav place in SEQ



Wouldn't replace them for anything in the world!