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NEWSLETTER

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Brisbane Housing Market Insights

Source: The Urban Developer - November 2021

Brisbane housing prices grew almost three times as much as expected this past year, with prices set to rise further amid fresh predictions it will outperform all other Australian capitals in 2022.

Brisbane has well and truly surpassed expectations of a dwelling price rise of 8 percent in 2021, instead notching a 25 percent jump off increased interstate migration, low stock and heightened demand.

Brisbane's house prices have increased by a staggering 27.9 percent in the past year, with the median price now \$757,000, following a peak-to-trough fall in values of -1.4 percent between April and September 2020.

November's bump in dwelling prices was a modest increase from the previous month, when dwelling values grew at a rate of 2.5 percent.

House price growth has also seen an uptick and unit prices have lost some momentum after lifting by 2.8 percent and 1.3 percent respectively in October.

According to Corelogic, property values rose 2.9 percent in November—the biggest increase of any capital city—to be up 25.1 per cent over the year, providing sellers with a gross yield of 3.8 percent.

The rise in Brisbane home values over November, the most in 18 years, was closely followed by Adelaide, which was up 2.5 percent for the month, the biggest gain in 28 years.

The current median value for a property is now \$662,000, and has further advanced an additional \$20,000 during November.

A typical Brisbane house is now about \$180,000 more expensive than it was at the beginning of January, while units have experienced a gain of \$52,000.

Brisbane's north remains a hot spot for property price growth, with an increase of 24 percent across the year, while inner Brisbane houses have recorded record rises of up to 28 percent for the year.

A NOTE FROM TRACIE

*Hi there,
Welcome to 2022! I hope that you had a wonderful Christmas break and that the new year brings you prosperity & happiness. If I can help you with anything please reach out.
All the best, Tracie*

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Concerns about the impact of a possible interest rate rise on the booming property market may be growing, but opinion is sharply divided over what effect it may have, and when.

The Reserve Bank of Australia has indicated an interest rate rise was likely to remain at 0.10 percent in 2022 after dropping to that level in November 2020. Residential listings are set to pile up when the housing market reopens in January with a surge in the number of homeowners looking to sell before prices peak.

Requests for appraisals have jumped by 19 percent in Brisbane indicating that a large number of potential vendors are looking to enter the market in the new year.



Using equity for any worthwhile purpose...Source: NAB



The new year brings renewed focus on our goals.

Many of our customers ask us how they can leverage the equity in their home to buy another property or complete some home renovations.

What is equity?

Equity is the difference between the current value of your home and how much you owe on it.

For example, if your home is worth \$800,000 and you still owe \$520,000, your equity is \$280,000.

The great thing is, you can use equity as security with the banks. This means you can borrow against your equity to fund life's big purchases, such as:

- extending your home
- starting a business
- buying a car
- going on a holiday

You can also use equity to buy an investment property and get into the real estate game.

Banks will typically lend you 80% of the value of your home – less the debt you still owe against it. This is considered your useable equity.

Since the bank is lending you money against the value of your home, they won't lend you the full amount. Put simply, if house prices dip, they don't want an outstanding loan that's worth more than your property.

Keep in mind that it's possible to borrow more than 80% if you take out Lenders' Mortgage Insurance (LMI)

Even if you have plenty of equity, it's not always a given that you can borrow against it. The bank will consider several factors including:

Your income, your age, how many kids you have and any additional debts you may have.

Remember to play it safe. If you don't have any funds outside your home equity, then it's risky to use every cent of your useable equity to invest in property.

You always need a buffer – back up funds in case things don't go to plan. Even if it means you can't invest for a while, it's important to keep yourself protected.

Ultimately, using equity to buy an investment property can be a smart move. But before you get serious, it's best to talk to us so we can give you all the right options to suit your personal financial situation.




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Home Renovations...

Dreaming of a new kitchen or Bathroom for your home? Maybe you just want to give your house a little facelift with a fresh coat of paint or new modern flooring...

Now might just be the time to do these renovations. Most properties in Queensland and indeed right around Australia have seen some incredible increase in value. You might be able to leverage off this new found equity to do some updates to your home.

With interest rates at an all time low, repayments are affordable. Many of our clients are taking the opportunity to add more value to their property by doing some minor home improvements.

The process is simple. Book in for a review of your finances. We will recommend the best options to suit your financial situation. You never know, 2022 could be the year that your home gets a beautiful new make over!



Lemon ricotta cheesecake slice

Easy - 0:10 Prep - 0:50 Cook - Makes 12

Ingredients

- 2 eggs
- 80g of butter, melted
- 250g digestive biscuits
- 1/2 cup caster sugar
- 500g ricotta
- 250g cream cheese
- 1 tbsp lemon rind
- 1/3 cup lemon juice

Method

Preheat oven to 180C. Grease an 18x28cm slice pan and line it with baking paper.

In processor, blitz biscuits to a fine crumb. Add melted butter to combine. Pour into prepared tin and press to form an even layer. Bake for 8 minutes.

Reduce oven temperature to 160C. Add ricotta, cream cheese and caster sugar to a clean food processing bowl. Process until smooth. Add eggs, lemon rind and lemon juice until mixed.

Pour mixture over base and return to oven. Bake for 40 minutes until just set. Turn off oven and leave cheesecake to cool for 1-2 hours.

Once cheesecake has cooled completely, slice into squares and serve.

Source: Australia's best recipes Dec 2021



Fixed Interest Rates...

To fix or not to fix? This is the question on everyone's lips right now. When is it the right time to lock into a fixed rate on your home loan?

For a while now, fixed rates have been steadily dropping to all time lows on or around the 2% mark. In recent months, we have started to see the fixed rates on the move again. Still historically low, most fixed rates remain in the 2-3% range for many lenders. However, rates are now beginning to move upwards and we want to you know that!



If you are considering locking in any part of your home loan, now is the time to do it. We believe that the fixed rates will continue to slowly climb over the coming few years. So why

would you fix your mortgage? Most of my clients chose to fix part of their home loan for the security of knowing if rates go up, they are locked in a low rate for a specific period of time. This gives them stability of repayments. You know what you have to pay without fear of increases along the way.

However, many of our customers still love the flexibility of a variable product. You can pay extra to clear the loan quickly and have a redraw facility should you need to pull back some funds for any worthwhile purpose. You may also consider splitting your home loan so you can enjoy the best of both worlds.

To find out your options, just book into to have a chat anytime on 07 3264 7100.



Experience the Cornerstone Difference

Tracie Palmer - 07 3264 7100



Finance Specialist - Cornerstone Home Loans
Credit Representative #387282 of BLSSA Pty Ltd, ACL #391237

Happy New Year and welcome to 2022!

We hope you all had a restful time over Christmas and that you had the opportunity to catch up with your loved ones.

For some of you, it has been a long time since we reviewed your home loan. This might be a good time to speak with us about your loan and complete a review. We may be able to do a pricing request on your current loan and see if lower interest rates are possible. If not, we can certainly see if a refinance is possible.

I would also like to take this opportunity to thank you, our loyal customers for your continued support. I am so grateful that you trust me to look after your family and friends. Thank you for all these referrals. I appreciate you thinking of me and the team at Cornerstone.

I want remind everyone of the importance of paying loans on time. Try and pay extra when you can. Interest rates are the lowest we have

seen in many years. All our sources are indicating they will remain low for a while longer, which is great. However, one day they will start to creep up again. Make sure that you are paying more now to avoid mortgage stress later.

2021 was an incredible year for us. Once again, we won a number of awards in our industry. Some of the awards we achieved were - Best Customer Service, Finance Broker of the Year and Business of the Year. We value and appreciate all of our clients for trusting us to help them achieve their finance goals. If you want to catch up for a Home Loan Review, please reach out to us to make an appointment.

Till next time, Tracie & Team



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- Review Your Current Home Loan
- Refinance your Existing Home Loan
- Consolidate Debt & Free Up Equity
- Find a Commercial or Business Loan
- Car & Equipment Finance



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