

HomeDiaries

AUTUMN 2016

MAKE
THINGS
HAPPEN



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Nedbank Home Loans

KEITH'S VIEW

Given the extreme summer temperatures we have endured in recent times, I'm sure you'll join me in welcoming the milder days that signal the start of autumn. The change of season also means it's time for the **first edition** of *Home Diaries* for 2016 – we trust you'll enjoy the read.

With tough economic times set to continue, our **News to use** section tells you how you can tighten your budget with the help of Nedbank's free financial management tool. On the subject of money, also take note of the increase in home loan fees that takes effect on 1 June.

As you've come to expect, **Home Loan insider** is filled with handy tips to help you take care of your home loan. If you pay your instalments through a salary stop order, be sure to read up on our advice. Should you wish to switch to a different payment method, consult **Did you know ...** to learn more about the benefits of debit orders.

All the best from the Nedbank Home Loans Team.

NEWS TO USE

Tighten your belt and budget



As we are sure you are well aware of, South Africa's current economic climate forecasts more stormy weather for some time to come. This allows ...

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HOME LOAN INSIDER

Pay a little extra



Interest rate increases are inevitable in the volatile economic conditions we are currently experiencing. So why not ...

[More](#)

IN THE SPOTLIGHT

Try out our nifty new Instant Bond Indicator



If you are looking for or have found a new property you'd like to invest in, you can now use the Nedbank Instant Bond Indicator anytime, anywhere to find out ...

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DID YOU KNOW ...

Debit order - the most convenient way to pay your home loan



Paying your Nedbank home loan by debit order is a safe and convenient method of paying your monthly instalment. Paying by ...

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MONEY TALKS

Residential property



The residential property market lost momentum in late 2015. Growth in average house prices slowed throughout the year to around 5% ...

[More](#)

NO-FUNDS ALERT? ASK US FOR HELP

If you receive a no-funds alert from your bank when it's time for your home loan debit order to go through, or if you wish to dispute your debit order payment, we suggest you contact Nedbank on 0860 553 573 for assistance. [More](#)

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NEWS TO USE

Tighten your belt and budget

As you are aware, South Africa's current economic climate forecasts more stormy weather for some time to come. A variety of factors will negatively impact all households and industries. Leading economists predict that 2016 will put **more strain** on everyone's pocket.

More specifically, **budget worries** are on many South Africans' minds. To relieve our budget blues we have little choice but to tighten our belts and budget effectively.

Nedbank understands this need and that's why we offer all clients (Nedbank and non-Nedbank) access to our **FREE personal financial management tool** called MyFinancialLife™.

MyFinancialLife™ will enable you and your household to manage your money effectively by assisting you to set up a budget and manage and track your budget. MyFinancialLife™ makes **creating a budget quick and easy** and tracks spending against your budget to help you reach your financial goals.

Remember, all it takes is small but significant steps to become more financially savvy. **Register today at MyFinancialLife.co.za** – it's for free!

For assistance simply call **0860 555 125** or send an email to pfmsupport@nedbank.co.za.



HOME LOAN FEES TO INCREASE IN JUNE

Please note that as of 1 June 2016 the monthly home loan service fee will increase from **R57 to R68,40 (including VAT)**. A detailed fees schedule is available at nedbank.co.za/homeloans. For more information please call the Nedbank Contact Centre on 0860 555 111 or visit any Nedbank branch.

Have you signed up for eStatements yet?

If not, now's a good time to do so. With eStatements you receive your home loan statements and letters **electronically**, which means no paper wastage, no more waiting for the post to arrive and – best of all – you're doing your bit for the environment too.

So why don't you make the **switch to eStatements today!** Call us on 0860 555 111 or visit nedbank.co.za/homeloans to apply online.

HOME LOAN INSIDER

Pay a little extra

Interest rate increases are inevitable in the volatile economic conditions we are currently experiencing. So why not pay a little extra on your home loan to **avoid your account falling into arrears** and build an advance to protect yourself against the expected interest rate increases this year?

Remember, if your home loan account falls into arrears, your credit profile will be affected negatively. The bank may also institute **legal action** against you, placing your most valuable asset at risk. Secure your family's safe haven and call us on **0860 553 573** to have your **debit order adjusted**.

Settle your home loan first

It's hard to believe, but **Easter** and the **school holidays** are almost on us. This might mean spending more than what you budgeted for to keep the kids and family entertained.

However, please keep in mind that your home is your **most valuable asset** so plan your expenses accordingly. Make the wise choice and pay your home loan **first**.



In a financial crunch?

Are you unable to make your monthly bond repayments or struggling to make ends meet? Don't let bumps in the road to financial success throw you off course. There are many reasons why you could find yourself in financial difficulty, from retrenchment and unexpected illness or disability, to the global financial crisis. Fortunately, **help is at hand**. For more information on the options available to you please visit nedbank.co.za/HomeLoansHelp. This will give you a good idea of the best option available to you to help you recover from financial difficulty. You can also contact us on **0860 553 573** for assistance.

DO WE HAVE YOUR LATEST CONTACT DETAILS?

Have you recently changed your phone number or email address? Then kindly **update your contact** details at your nearest branch. This will ensure that you do not miss important SMS or email notifications from Nedbank. It also ensures that you stay in touch with the latest Nedbank news.



Does your stop order cover increases?

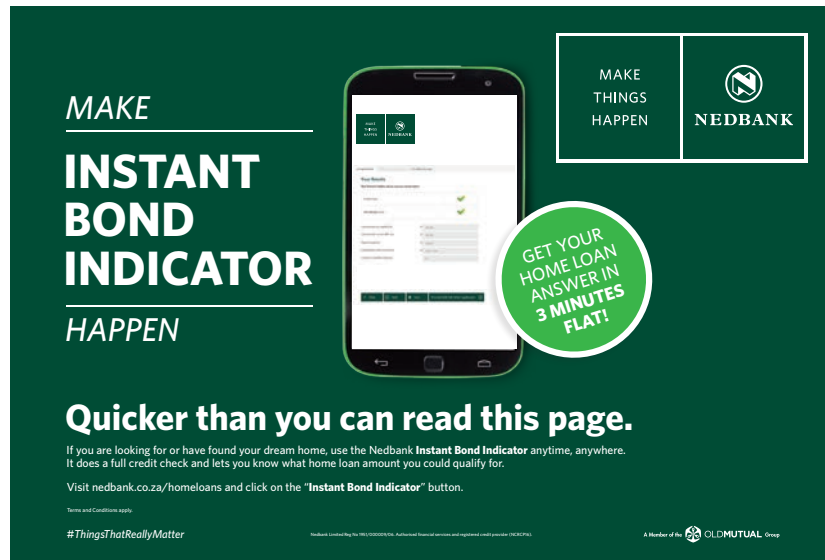
Is your home loan paid by a **salary stop order**? Are you 100% sure that your stop order **covers your instalment**? As you know, any interest rate hike increases your monthly instalment. Contact us to ensure that your instalment is covered by your salary stop order payment. If not, your credit record will be impacted negatively. Call us on **0860 553 573** to get peace of mind that your home loan account repayment covers your monthly instalment or to increase your monthly instalment.

IN THE SPOTLIGHT

Try out our nifty new Instant Bond Indicator

If you are looking for or have found a new property you'd like to invest in, you can now use the Nedbank **Instant Bond Indicator** anytime, anywhere to find out what **home loan amount** you could qualify for. It does a **full credit check** quicker than you can read this page!

Try it out at nedbank.co.za/homeloans – just click on the Instant Bond Indicator button. Know of someone who's house hunting? Then make their day and tell them about the Instant Bond Indicator – only from Nedbank.



**MAKE
INSTANT
BOND
INDICATOR
HAPPEN**

**GET YOUR
HOME LOAN
ANSWER IN
3 MINUTES
FLAT!**

Quicker than you can read this page.


If you are looking for or have found your dream home, use the Nedbank **Instant Bond Indicator** anytime, anywhere. It does a full credit check and lets you know what home loan amount you could qualify for.

Visit nedbank.co.za/homeloans and click on the "Instant Bond Indicator" button.

Terms and Conditions apply.

#ThingsThatReallyMatter

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DID YOU KNOW ...

Debit order – the most convenient way to settle your home loan

Paying your Nedbank home loan by debit order is a **safe and convenient** method of settling your monthly instalment. Paying by cash or cheque means that you have to physically go into a branch, stand in long queues, pay cash deposit fees and place yourself at risk by carrying cash.

Avoid the risk and contact us today to load a debit order as payment on your home loan account. This will **save you time and money**. Nedbank can also assist you in opening a transactional account to enable the debit order. To **load a debit order** on your account simply call **0860 553 573** and to **open a transactional account** call **0860 555 111**.

NO-FUNDS ALERT? ASK US FOR HELP

If you receive a **no-funds alert** from your bank when it's time for your home loan debit order to go through, or if you wish to **dispute** your debit order payment, we suggest you call Nedbank on **0860 553 573** for assistance. We are here to help and have various payment and **alternative solutions** that you can consider if you find yourself in financial difficulty. If you cannot contact us, please visit nedbank.co.za/HomeLoansHelp for more information.

MONEY TALKS

Residential property – households facing stronger headwinds in 2016

The residential property market **lost momentum** in late 2015. Growth in average house prices slowed throughout the year to around 5% year on year, owing to a noticeable falloff in the demand for housing in the final quarter.

The softer trend reflects **fading confidence** among households. As the economy faltered, the rand tumbled to new record lows, and the upward march in interest rates continued. The turmoil in December was triggered by President Zuma's baffling decision to change finance ministers twice in just four days, rattling investors, hurting confidence and sparking a public outcry.

To make matters worse global investor sentiment turned sharply **against emerging markets** as the pace of economic activity in China slowed and the slump in global commodity markets deepened. This prompted significant restructuring in the mining and manufacturing sectors, with companies slicing capital expenditure and retrenching workers.

At the same time, the **worsening drought** in key farming regions started to push food prices higher, eroding households' purchasing power and adding to the gloomy mood.



The pressure on household incomes is likely to intensify throughout 2016. Given the tough global and domestic environment, company profits are likely to take strain and restructuring in mining and manufacturing will continue. With increased retrenchments and limited pay prospects, **income growth is expected to slow** even further.

This time around government is not in a position to offer households any relief and are doing quite the opposite. **Public finances have deteriorated sharply** over the past six years, with government debt as a percentage of GDP close to double pre-crisis levels and the country's sovereign risk ratings teetering on the brink of a highly damaging potential downgrade to speculative or junk status. As a result, government will have to reduce borrowing through spending cuts and higher taxes, which is likely to place further strain on household disposable income.

Added to all these pressures, **inflation is already on the rise** and this upward trend is expected to gather momentum, fuelled by drought-induced spikes in food prices and likely increases in the cost of most imported goods due to a sharply weaker rand. Inflation is forecast to rise significantly above the South African Reserve Bank's inflation targeting range of 3% to 6% in 2016 and much of 2017.

The Reserve Bank's Monetary Policy Committee will have little choice but to **hike interest rates further**. Nedbank expects another three hikes of 25 basis points each this year, taking the prime rate up to a peak of 11% by July. Given that household debt remains relatively high, the combination of higher interest rates and slower income growth is expected to push debt service costs as a percentage of disposable income above the key stress level of 10%. Households will have much less money available for discretionary spending in 2016, which will reduce the demand for big-ticket credit purchases significantly.

The **demand for and price** of residential property are therefore expected to **slow** throughout 2016 and into early 2017.

Nedbank Group Economic Unit

Talk to us

Call us on **0860 555 111**, visit any Nedbank or go to nedbank.co.za/homeloans. For Personal Relationship Banking call **0860 555 222**.