

# News from home

APRIL 2014



## Landscaping tips on a budget

Ever looked at your garden and wished you could add value to it without breaking the bank? These five simple tips from Dave Limburg at Online Garden Design will help you do just that.

### 1. Live low maintenance

Ensuring your garden requires minimum effort means you're more likely to make the time to keep it tidy and well looked after. This is especially true for those who don't enjoy gardening. Flower beds with flax, star jasmine and giant mondo grass are examples of the type of plants that are beautiful and easy to look after. Also consider viburnums, frangipanis, murrayas, camelias and liriopes; they fill the bed area very well and give you lovely bright colours.

For a lawn, pick a low growing variety like couch, and avoid climbing plants as these can grow quickly and easily get out of hand. In general, pick tough hardy plants that you can plant in groups to create impact.

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## 2. Create space

Screening plants that create soft hedges are a great way to make a small space look bigger. Photinias, orange jessamines and lilly-pillys are great all year round and need minimal pruning. They grow to about 1.5m in height, are easy to look after, and can also be used to cover a neighbouring fence.

## 3. Provide shade

Creating a dedicated space with shade gives you a sitting spot for entertaining or playing with the kids. Shade sails are relatively inexpensive and easy to install so worth considering if you have an area set in full sun. You can grab a shade sail kit from a local hardware store for under \$500.

## 4. Pave the area

If you'd like to eliminate the care of plants altogether, you can opt to pave your garden or just a section. A 10m<sup>2</sup> area is enough for an outdoor setting with seating. It doesn't have to be expensive as you can source recycled paving and bricks online or through retailers that stock second hand brickwork.



## 5. Tidy up

Creating a sense of order is essential to keep things tidy and nothing is easier than covering it up with mulch! Mulch helps any garden look healthy, reduce your water bill and prevent weeds. Pine bark or eucalyptus mulch are readily available from tree removalists, often for free!

With these easy tips in mind, you can transform your garden with ease. For more tips or to get an online garden plan developed, visit [onlinegardendesign.com.au](http://onlinegardendesign.com.au)



## From the CEO

### Insurance routine provides peace of mind

Reviewing your home insurance isn't normally high on the to-do list, but getting into the routine of evaluating your cover each year is a smart habit to adopt.

While it's easier to continue with your existing cover each time the renewal notice appears in your mailbox, it's important to consider how much your insurance needs have changed on a regular basis and modify the policy as necessary.

When you got your home loan, you had to take an appropriate level of insurance for the house, and the expectation is that you'll review and maintain this cover at consistent intervals. Not having your house insured is a breach of the terms and conditions of your mortgage.

The longer you've lived in your home, the more likely it is that your insurance needs have changed. You may have made improvements or modifications to your home such as adding a pergola or renovating the kitchen, which would have increased the value of the home significantly since signing the original insurance policy.

It's a good idea to get a professional appraisal to revalue your home and update your insurance policy accordingly.

'The Understand Insurance Research Report' produced by the Insurance Council of Australia (ICA) shows that many Australians are unsure about what type of damage is covered in their building insurance.



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It's important to understand the specific inclusions and exclusions of your policy, as some hazards may not be covered. It's especially timely when we continue to see a variety of unexpected natural disasters across the nation.

Adding in an allowance for demolition and clearance of the site is also an option. In the event your house is destroyed and needs to be re-built, these costs would be deducted from any insurance payout, so it is particularly important to consider that.

The ICA study also found that a third of Australians risk underinsurance by not updating their contents policy to cover new possessions.

To avoid this, compile an inventory of your home's contents. Go from room to room and make a list of all your valuables and their replacement value. This list is not only important when making a claim but it will also help the Police with the recovery of items if your house is burgled.

Don't forget to include any special items, such as jewellery, art or other valuable collections. Be aware that policies differ markedly in regard to insuring special items, so be sure to check your level of coverage carefully.

So take the time to review your insurance policy annually. Think of it as an investment in your future security and wellbeing rather than a cost. Most importantly, read and understand the policy, the inclusions, the exclusions and the excess limit. Remember, no insurance is not an option so find a policy that best suits your needs and your budget.



# Annual instalment reviews

Once a year, you receive an annual instalment review letter that outlines what your repayments will be for the next 12 months. Let's run through some of the key terms.

## The Repayment Safeguard

Your HomeStart loan has a Repayment Safeguard, which helps to break the link between repayment amount and interest rates. With the Repayment Safeguard, your loan repayments are initially set according to your financial situation. Typically, they stay at this amount for 12 months, and are adjusted once a year in line with inflation – which is when you receive your Annual Instalment Review (AIR).

This is different from a traditional 'principal and interest' loan, which has a set loan term and repayments that are adjusted in line with interest rate changes.

## What happens if interest rates decrease?

In most cases, if you have a variable interest rate and interest rates go down, your repayments will stay the same until your next AIR. Because the interest rate has decreased, your interest charges will also go down. If you have a fixed rate, your interest rate will stay the same for the period you've fixed it.

## What happens if interest rates increase?

In most cases, if you have a variable interest rate and interest rates go up, your repayments will stay the same. This means you know exactly how much you'll be paying over the year. Because your repayments generally change once every 12 months and interest rates on a variable rate loan may increase during that period, there could be times when the interest charged to your loan is more than your repayment amount. The difference is added to your loan balance.

This is called loan capitalisation. Typically, you can choose to make voluntary repayments during this period, or continue to repay your loan at the levels set by HomeStart. Fixed rate loans may have certain limits. Your statement can help you monitor your loan for capitalisation. If you have a fixed rate, your interest rate will stay the same for the period you've fixed it.

Have a question about your loan? Contact your Loan Manager or call HomeStart on 1300 636 878.

# Spruce up the garden!

If you're inspired by the landscaping tips in this edition, you'll be keen to win a \$300 Bunnings voucher to start reviving your garden. You can explore the garden centre and find plants to suit your home or get some garden equipment to ease the labour. There are heaps of options!

To enter this competition, fill out your details below or enter online at [homestart.com.au/competitions](http://homestart.com.au/competitions)



**Congratulations  
to Kerina from  
Port Augusta,  
who won an  
iPad mini!**

Name: \_\_\_\_\_ Loan number: \_\_\_\_\_

Address: \_\_\_\_\_ Postcode: \_\_\_\_\_

Email: \_\_\_\_\_ Daytime phone: \_\_\_\_\_

Conditions of entry: The competition commences on 7 April 2014 and ends on 8 May 2014. Only existing HomeStart customers are eligible to enter. One prize is on offer. Total prize value is \$300 as a

Bunnings voucher subject to gift card terms of use and not redeemable for cash. The draw will be conducted by HomeStart Finance, 153 Flinders Street, Adelaide on 9 May 2014 at 10am. There will be one winner and they will be notified by phone. The winner will also be mentioned in the following newsletter edition attributed to their first name and suburb.