Hi everyone and welcome to this week's Flash Friday Finance Update. I am Louise from The Property Education Company and I'm here with Caitlyn Holmes, one of our brokers. Today we are going to talk about green or solar home loans.

But before I do that, I just want to note the beautiful new painting that I have in my background here, which a very, very beautiful client painted for me. Thank you so much because I just love it and it's a beautiful peaceful scene that reminds me I love the sea and the beach. So thank you very much. I'm very grateful. And that client is actually exhibiting at the Red Hill Art Show in May this week.

So, Caitlyn, we've been doing some loans for people recently with solar panels and a green home loan as such. Tell us what happened and how did this come about?

Caitlyn: Right. So I had a client who was actually purchasing a new investment property and when I was looking at the options for them, the servicing was a little bit tight because of the way that they have various investment properties, and with the interest rates, obviously, they've increased substantially over the last little while. So we were a little bit tight, and when I was looking at options, I came across the solar home loan, and I checked obviously realestate.com and then Google Earth and all of that, to spy on their property and see what was fitted on it. And it turned out that it did have a large amount of solar panels already there on the roof. So that was exciting news to me because it meant that we were able to secure a much cheaper interest rate for these clients. It was 1.2% lower than the standard variable rate.

Caitlyn: So what that meant was we were able to get that client a slightly higher loan amount because the interest rate and serviceability were based on a lower interest rate.

Louise: Fantastic results! And the client got not only a cheaper rate for life for that loan but a real benefit because she was buying the property anyway,

Caitlyn: It was already on the property. So we just had to check the solar panels like the output, the capability of it to make sure it met the lenders' eligibility criteria, which it actually already did. The solar had been installed, I think six or seven years prior, so it was a great outcome for everyone.

Louise: Fantastic! And I know there are some green loans as such out there, and different lenders have multiple criteria about what that means. And we've come across a whole list of things that people can make themselves eligible for this loan. Can you tell us some of the things that they might have in their home already that might help them qualify for this?

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Caitlyn: Absolutely. One of the green loans that I was looking at, you have to have at least three of a list of items, so I'll read those out to you. The first one was solar panels, a rain or storm water tank, a solar hot water system, external awnings, home insulation that meets the government standards for that particular area, energy-efficient LED lights over 75% of the property, which I think a lot of new homes or if you're renovating you certainly installing those.

Louise: Oh, that's right and once you put early DC up, I think they were getting people coming around offering to do it for you, put in the LED.

Caitlyn: Oh yes, I actually had someone knock on my door the other day about that. And then the other items were solar battery storage system in your property, certified double-glazed windows, five-star gas or electric heating, a solar pool heating system.

Caitlyn: This one was interesting because I think most people might already have some of this on their property. It's fleet systems. evaporative cooler, or star-rated zoned air conditioning units with either a minimum energy rating of four out of six stars or six out of 10 stars. And the other item was a gas hot water system.

Louise: Fantastic. So there's a whole range of things that you could qualify under this to get a loan that's got a maybe a better rate for you. It all depends, of course, again, on your servicing and whether this is the most suitable product for you, but it's worth knowing that they are out there, and you can ask us to review them for you and see if it suits your circumstances.

Caitlyn: Absolutely!

Louise: Implementing some of these solar products can be very expensive. If you're actually doing it to your home and you might not have the money readily available to buy a battery, it could be $50,000 to do this. So Caitlyn, how might we go about funding those, putting in solar for someone's home? What would you suggest?

Caitlyn: Well, we could certainly look at releasing some equity in your property. So what that means is if your property value has gone up a little bit or a lot since you've purchased the property, we can then look at perhaps refinancing your mortgage and borrowing a little bit more money, so that you can then pay for the solar system or you can double glaze your windows or whatever it might be. And then if you have a quote that's been accepted, we can give that to the lender and you would then be eligible for the discounted solar or green home loans potentially.

Louise: That's great! And if you possibly don't have the equity in your home, there is the potential you could get a personal loan, and pay for the solar, then we could refinance because of the extra value that you might have obtained on your property, and with the market is still pretty strong out there. And maybe then you could then qualify for a better rate with these green home loans. So that might help you too, mind you, there's no guarantee about what happens in the future but you can only try. So if you need help with the loan or you want to be reassessed for that and you already meet some of the criteria, please feel free to reach out and we will happily help you do that assessment.

Louise: Well, thank you for the update, Caitlyn, that's a big bonus to people because greens are all the flavor of the month at the moment still. So it's good to know that some lenders are actually helping with that as well. So there you go. Thanks, everyone! If you need any assistance, please just make a time, hop to the website, and book a call or email or call us. We'd love to hear from you and help you.

Caitlyn: Fantastic! Thanks, Louise. Have a good week. Bye, everyone!

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