



It's looking like lockdowns are behind us for the time being and fingers crossed we can continue to enjoy getting out and about as we approach the Christmas period.

Life has become unpredictable over the past two years and the motor vehicle industry has not been immune to the disruption. Interestingly, forecasters initially predicted new car sales would drop because of the pandemic. Part producers moved their attention to other industries, which has now resulted in a very delayed supply chain.

We take a look at this in our latest article and explain why COVID's 'perfect storm' has had a dramatic impact on the price of second-hand, late-model vehicles. It's important to know what's going on, especially if you're looking at borrowing or helping to facilitate vehicle loans.

#### **What you need to know about buying a vehicle in 2021 and 2022**

Whether you're purchasing new or second hand, you need to be aware of how COVID will impact your auto-buying decisions.

#### **Selfco Credit Policy Enhancements**

We've made enhancements to our credit policy, effective immediately.

We pride ourselves on the high level of customer service we deliver.

We were thrilled to receive these kind words from our brokers recently:

*'I would like sincerely thank you Rob, for your time, effort and persistence with this application and the ability to workshop the deal due to the many variables that were in play. From start to finish, our mutual clients and I cannot recommend yourself and SELFCO Leasing highly enough for the professionalism displayed.'*

- Ian  
Professional Funding



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## What you need to know about buying a vehicle in 2021 and 2022



While the intense stress caused by the Delta variant has eased for the time being, the impact of the COVID pandemic will make itself felt for a while to come.

The latest casualty, if you want to call it that, is the availability and cost of second-hand goods and vehicles in particular.

Take a look at what's going on with prices and why we're witnessing such a jump in the cost of used trucks, trailers and tradie vehicles.

### International new car delays

Manufacturing behemoth Toyota issued an apology towards the start of October, acknowledging that thousands of customers may face waits of up to a year for their new vehicles to arrive.

As [Drive](#) reported, "International factories are working overtime to overcome parts shortages that have slammed the brakes on the global automotive industry".

This is in part due to a lack of one very small part: the semiconductor. The worldwide shortage of this [computer chip part](#) was caused by predictions that people would stop buying new cars due to COVID. The companies that produce them switched their focus to computers and video games, anticipating that people would be buying this type of equipment instead.

As the [ABC reported](#), Australians haven't actually stopped ordering new vehicles, with purchases growing 21 per cent for the month of September compared to the previous year. With supply outstripping demand, the result is a long wait if you order a new model from overseas.

## Parts shortages

To add to new vehicle delays, auto mechanics are struggling to get parts to repair existing vehicles.

[Western Australia's RAC](#) explained the problem early in the pandemic, writing that "Some car factories have shut down, others have adapted their production lines to make medical products, while yet others are suffering parts shortages as their suppliers in the extraordinarily complex car-making supply chain begin to feel the effects of the pandemic."

So what do you do when you can't buy a new vehicle or fix your existing one? You look to buy used...

## What's going on with second-hand auto sales in Australia

Part three of the auto industry's perfect storm is a rise in the cost of second-hand equipment such as trucks, trailers and tradie vehicles.

In some cases, late-model second-hand vehicles are actually selling for more than the new price. This is of course due to new models and existing parts being hard to come by.

As shared by [Slattery Auctions' quarterly report](#), in Queensland, recent sales displayed:

- A 2019 Mercedes-Benz GLE showing 14,503 km for \$116,100, representing around 100% of retail value
- A 2021 Toyota Landcruiser GXL Dual Cab Utility showing 2,015 km for \$84,000 which represents 110% of retail value.
- A 2020 Land Rover Discovery Sport showing 19,046 km for \$63,211, approximately 95% of retail
- A 2019 Holden Colorado Z71 Dual Cab Utility showing 26,450 km for \$42,411, around 100% of retail.

These sales show that the most popular vehicles at auction with both dealers and buyers have been dual cab utilities, and SUV/wagons; both vehicles which have historically had high demand.

Some [experts predict Australia will be in this situation until at least 2023 or 2024](#). Frustratingly, the situation has also led to many vehicles being vandalised, with thieves realising the [value some coveted parts](#) offer.

Those who do need to buy a vehicle right now need to have a strong budget, especially for high-quality second-hand models. Fortunately, interest rates are low, which can provide the extra wiggle room that is required due to current conditions.

## Enhancements to Selfco Credit Policy

We are pleased to advise of the following enhancements to our credit policy, effective immediately:

### 1. Unregistered Vehicles – Dealer Sales

Vehicles do not have to be registered prior to settlement if purchased from a dealer. The previous requirement for inspection and photos if unregistered for greater than 6 months no longer applies. If the

vehicle is being purchased via a **private sale we still require the vehicle to be registered prior to settlement** in either the vendor or the purchasers name.

## 2. Stat Decs

Statutory Declarations on private sales stating that goods are unencumbered and no money is owing are no longer required. Proof of ownership by the vendor may be evidenced via rego papers or original purchase invoice.

## 3. Property in the Spouse's Name

We are pleased to advise borrowers will now be considered Property Owners when they can demonstrate that property is held in their spouse's name. This is to be demonstrated as follows:

Spousal Relationship	Surname	Required Documents
Married	Same surname	<ul style="list-style-type: none"> <li>Spouse's ID evidencing they reside at same address</li> <li>Medicare card noting both parties</li> </ul> If Medicare card is not available or does not demonstrate both parties on the card: <ul style="list-style-type: none"> <li>Marriage certificate</li> </ul>
Married	Different surname	<ul style="list-style-type: none"> <li>Spouse's ID evidencing they reside at same address</li> <li>Medicare card noting both parties</li> </ul> If Medicare card is not available or does not demonstrate both parties on the card: <ul style="list-style-type: none"> <li>Marriage certificate</li> </ul>
De Facto	Different surname	<ul style="list-style-type: none"> <li>Spouse's ID evidencing they reside at same address</li> <li>Financial co-dependence to be evidenced via mortgage contract noting the non-property owner as a party to the loan as a Borrower or Guarantor</li> </ul>

## 4. Higher Loan Amounts for Non Property Owners

We have overhauled our Non Property Owner products, summarised as follows:

**NP-B:** Up to \$50,000 under Fast Doc for businesses that have been in business for 24 months without the need for a deposit. Credit ref and 3 month's business bank statements required.

**NP-C:** Up to \$25,000 under Fast Doc for businesses that have been in business for 12 months without the need for a deposit or a credit reference. 3 month's business bank statements required.

Product	NP-A	NP-B	NP-C
Documentation	Fast Doc	Fast Doc	Fast Doc
Min ABN & GST Registration (Mths)	36	24	12
Max Loan Amount	\$75K	\$50K	\$25K
Bank Statements Required – 3 Months	Yes	Yes	Yes
Credit Reference	Yes	Yes	No
Deposit	No	No	No
Max Term (Mths)	60	60	60
Interest Rate	9.95%	10.95%	13.95%



## Run a scenario past your BDM



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