

# The Insider's Guide To Commercial Finance



**Very professional service and outstanding communication. They make everything so very straightforward and delivered real value for our business.**

**— Claire B**



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# Chapter 1:

About [CommercialLoans.com.au](https://www.commercialloans.com.au)



# Where do you picture your business in a year?

## What about five years, or ten?



At CommercialLoans.com.au, our job is to find you the finance that gets you there faster. That's because we're more than just a commercial finance broker. We partner with business owners, investors or property developers just like you to find solutions to their biggest problems.

**You know your business.**  
**We know finance.**

The right finance package could help you secure a new office or warehouse, invest in an essential piece of equipment, or improve your cashflow. But it's important to get the finance right so it works with, not against, your business' needs.

That leaves you two options.

You could spend countless hours doing research, handling paperwork and managing the application process – time that would be better spent running your business.

Or you could dump that problem on [CommercialLoans.com.au](https://CommercialLoans.com.au).

Our expert team does the running around for you – finding you the right loan from our network of over 100 lenders. They'll talk you through your options, help you crunch the numbers and negotiate a deal that works for you – before taking care of all the paperwork.

No hassle. No stress. And a great commercial loan that helps your business achieve its potential. What's not to like?

## Meet The Team



**Jonathan Kline-Spink**

Director / commercial finance specialist

Jonathan was sick of seeing small businesses get neglected, by brokers and lenders alike. So he decided to do something about it, through CommercialLoans.com.au. Jonathan brings a wealth of experience from his years in the finance industry. His number one quality? He solves problems and gets results.



**Chris Rathgen**

Director / commercial finance specialist

Chris has more than 20 years' experience running finance firms. So you won't be surprised to learn his knowledge of the commercial loan market is second to none. Nothing motivates Chris more than helping business owners get approved for funding when they've previously been rejected by the banks.

# Chapter 2:

The insider's guide to  
... commercial loans



Your business is more than just your livelihood. It's your future. And while you've poured blood, sweat and tears into building it from the ground up, you can't take it to the next level without the funds to do so.

That's where the right commercial loan can help.

## You can use the funds to



Cover your business expenses and operating costs during seasonal fluctuations



Expand your business or invest in new equipment without depleting working capital



Buy your own premises or warehouse so you have complete control



Take advantage of a great opportunity when it comes knocking

And the benefits don't stop there.

Commercial loans can come with flexible terms, tailored to suit your business' needs. Even better, you can get the capital you need without compromising your ownership or control of the business. Interest rates on commercial loans can be very competitive too, although the rate you get will depend on the lender and your risk profile.

This brings us to an important point – and we can't stress this enough: **you need to choose the right lender and finance package for your unique situation.**

That's because the needs of, say, a business startup wanting to expand operations will be very different from those of a commercial property investor looking for development finance.

**If you structure your loan application incorrectly, you'll likely get rejected. That won't just mean a massive waste of time. It might also damage your credit score.**

**CommercialLoans.com.au helps you mitigate that risk in three ways:**

**Our Connections:** We've got relationships with over 100 lenders

**Our Experience:** We know which lenders will and won't approve your loan

**Our Expertise:** We specialise in commercial finance, so we know it inside-out

**So when you partner with CommercialLoans.com.au, we will:**

- 1** Identify the right lender and finance package for your unique needs (including borrowing up to 100% of a commercial property's value, subject to additional security)
- 2** Highlight your strengths in the application, so you're more likely to get approved
- 3** Negotiate the best possible loan terms and interest rate

So whether you're buying a commercial property, expanding your business, investing in new machinery or refinancing to a better loan, it pays to have CommercialLoans.com.au in your corner.



# Chapter 3:

The insider's guide to  
... business loans



Sometimes, your business might need funds to grow or take advantage of an opportunity. Other times, your working capital might be tied up **so cashflow is tight** and it's a struggle to fund your day-to-day operations.

Whatever your situation, a business loan can give you the cash you need to succeed. But before you can apply for a business loan, you first need to figure out what type of finance is most suitable for your business.

**There's a vast amount of different business loan products available in Australia, including:**

**Term loan:** A lump sum of capital you repay at regular intervals over a defined amount of time

**Line of credit:** A flexible source of funds up to a predetermined amount you can access when needed

**Invoice finance:** A short-term loan whose value is based on what your customers owe your business

**Vehicle and equipment finance:** A specialised loan to purchase commercial vehicles, machinery and equipment

**Cashflow lending:** An unsecured business loan that lets you borrow against your expected future revenue

You likely have enough on your plate without the added hassle of comparing lenders and loan products across Australia's crowded finance marketplace.

Then there's the loan application process itself – which can be lengthy and complex.



**Even worse,  
you don't structure  
your business loan  
application correctly  
or you approach the  
wrong lender, there's  
a good chance your  
loan will be declined.**

This doesn't just put you back at square one. It can also damage your credit score, making it harder to get approved for finance next time around.

**The process can be even more tricky when:**

- ▶ You are self-employed or a sole-trader
- ▶ Your business is a startup
- ▶ Your income ebbs and flows
- ▶ You have a poor credit score

Getting a competitive deal on a business loan comes down to what you know and who you know.

At CommercialLoans.com.au, we know a hell of a lot.

**We've got decades of collective industry experience. And we've got relationships with over 100 lenders. Over the years, we've helped hundreds of Australian businesses just like yours secure the finance they need – including low-doc, no-doc and bad credit options.**

# Chapter 4:

## The insider's guide to ... development finance



You want to kickstart your development project as soon as possible. Time is money, after all. But before you can get the builders in, you need the right finance in place with the rate, terms and conditions that can make your project viable.

Unfortunately, getting development finance can be an ordeal – even if you're an old hand at the property game. That's because lenders have very strict requirements when it comes to development finance.

## As a result, you'll need to make a solid case for your planned development on top of having your personal financials scrutinised.

Your application will need to include a feasibility study detailing the costs of construction versus potential profit, amongst other things.

### Some lenders also require you to have:



Contingency funds in place, in case something goes wrong during construction



Presales evidence (which can be as high as 60%)



A sufficient amount of your own capital in the deal

The loan's security will likely be the completed project. However, no two projects are alike – and different lenders will value the same plans differently.

Then there's the problem of how much you can actually borrow in the first place.

The amount you can borrow is known as the loan-to-value ratio (LVR). Typically, the fewer units you want to build, the higher the permitted LVR – though this is often limited to what is known as 'hard costs'.

Hard costs are the labour and materials you need to build your development and don't include approval, land clearing, legal or other professional fees (known as 'soft costs').

As such, many first developers find themselves facing a funding shortfall. And without all the money in place, your project won't get off the ground.

**CommercialLoans.com.au can solve your funding problem. That's because we can look at your unique situation and know, from our years of experience, which lenders would give you the highest loan amount and most generous terms.**

Then we can help you put a solid development finance application together, before negotiating with the lender on rates, terms and conditions. So you get the right result – whether you're planning on subdividing or building a large apartment complex.



**CommercialLoans.com.au just make it happen.  
They understand your business, source a competitive  
deal according to your needs and constantly update  
you throughout the application progress.**

— Nick B



# Chapter 5:

The insider's guide to  
... asset finance





Buying a business asset comes with big decisions, particularly how you're going to finance it.

Vehicle, equipment and machinery loans in Australia typically fall into four categories.



**Chattel mortgages** – a business loan secured on the asset you purchase



**Commercial hire purchase** – the lender buys the asset on your behalf, you pay it off in instalments, and ownership transfers to you at the end of the hire purchase agreement



**Operating lease** – the lender buys the asset on your behalf and rents it to your business over an agreed period



**Finance lease** – the lender buys the asset on your behalf and rents it to your business over an agreed period, and possibly gives you the option to own the asset in full later

Each loan type has different pros and cons **as well as tax implications.**

### Chattel mortgage

You own the asset from day one. That means you can claim back the GST on the purchase price, while also writing off interest payments and the depreciation on the asset itself. However, you are responsible for all running costs and maintenance.

### Finance leases

As the lender owns the asset, there is little risk to the lender should you default on the terms of your lease agreement. This means finance leases typically come with lower interest rates than other types of vehicle and equipment finance. You may also be able to claim tax deductions on your finance lease payments. However, you will be financially liable for any damage or wear to the asset over your lease agreement.

## Operating lease

Your business never owns the asset with an operating lease. Rather, it belongs to the lender throughout the term of your agreement. At the end of the lease, you return the asset. In practice, this means you're mainly paying for the asset's depreciation – so repayments are generally low. You may also be able to upgrade the asset during the lease period as well as roll all maintenance and servicing costs into one, easy-to-manage payment.

## Commercial hire purchase (CHP)

With a CHP loan, you hire the asset with the intent of purchasing it. Once you've paid off the purchase price and interest instalments, ownership of the asset automatically transfers to you. This can free up your cash flow as you don't need to purchase the asset outright.

# What's the right finance option for your business?

There is no one-size-fits-all answer to this question, as every business is different. At [CommercialLoans.com.au](https://CommercialLoans.com.au), we'll go through all the available options with you, so you can be confident you're making the right choice for your business. Our brokers will then tap into their industry connections to find you a great deal that ticks all your boxes.



# Chapter 6:

## The insider's guide to ... low-doc loans



When you apply for commercial finance, many lenders want to see proof of a regular, stable income before approving your loan. This usually takes the form of business financial statements and tax returns for the past two years.

**But you might not have this proof on hand.  
For example, you could be:**



A start-up with limited income history



Self-employed with a seasonal income that ebbs and flows



Reinvesting your profits in the business

### You might only need to provide:

- ▶ An income declaration confirming your current business income
- ▶ A business activity statement (BAS) proving your business is active

Using your BAS, the lender then assumes 40% of your total business turnover as your income.

Alternatively, you can also apply for a no-doc business loan, which, as the name suggests, comes with no-documentation requirements at all. Instead, you self-declare your business income (although a lender will likely run a credit check before approving your loan).



Whatever the reason, a low-doc loan might be the funding solution your business needs. That's because low-doc loans come with fewer requirements than traditional business finance.

As both low-doc and no-doc loans are riskier for lenders than traditional loans, you will likely have to provide collateral as security. This is typically in the form of property, including:

- 1 Commercial property
- 2 Rural property
- 3 Residential property
- 4 Industrial property

Low-doc and no-doc business loans generally come with higher interest rates than full-doc financing, to reflect the additional risk to the lender.

## So how much can you borrow?

Low-doc and no-doc loans are always assessed on a case-by-case basis. That said, most lenders cap the amount you can borrow at 65% of the value of the property you offer as security for the loan. However, some go as high as 80% – and CommercialLoans.com.au knows the lenders that do.

We have relationships with a large range of low-doc and no-doc lenders, so can match you to the right loan – whatever your circumstances.



# Chapter 7:

Got finance questions?  
We have answers.



### ▶ **How much can my business borrow?**

The amount you can borrow depends on several factors, including the lender, the loan product and the financial position of your business. Speak to our expert team to find out exactly how much your business can borrow.

### ▶ **How long does it take to get approved for a business loan?**

It depends on the lender. Some institutions can take weeks to process your application while others can get you the funds within 24 hours. If you need funds quickly, speak to our expert team who can guide you to the right lender.

### ▶ **What security is required?**

That depends on your personal situation and the lender's criteria. Some business loans require collateral to secure the loan such as residential or commercial property. Others don't. Our expert brokers can talk you through your options so you get the right loan for your business, whether the product is secured or unsecured.

### ▶ **Can I pay off a business loan early?**

Some lenders let you pay off your loan early without penalty. Others may charge you an early repayment fee. That's why it's important to get a financial solution that suits your business' needs and circumstances. Speak to our expert brokers to get started.

### ▶ **Can I refinance a business loan?**

Yes. Refinancing your business loan can be a good way of ensuring your rate stays competitive and the loan product continues to meet your needs. However, refinancing doesn't suit every business and there may be costs involved. Our expert brokers can talk you through all your options so you're confident you're making the right decision.

### ▶ **Can I finance second-hand equipment?**

Yes. Pre-owned equipment can be financed in the same way as new equipment – though it may depend on the equipment's age and the lender. Low-doc and no-doc products are also available. Speak to CommercialLoans.com.au to discuss all your options.

▶ **How do I get the best equipment finance deal?**

You have two options. Either spend countless hours comparing the thousands of products available in Australia's crowded finance market yourself. Or save yourself time, money and stress by getting an experienced commercial loan broker like CommercialLoans.com.au to do all the legwork for you.

▶ **How do I qualify for business equipment finance?**

Different lenders have different guidelines. So you need to make sure you apply with the right lender, otherwise, you could be rejected and potentially damage your credit score. At CommercialLoans.com.au, it's our job to know the ins and outs of lenders' credit policies. So we can guide you to the lender best suited to your circumstances, including low-doc and no-doc options.

▶ **Do I need good credit to get equipment finance?**

The better your credit score, the more options you'll have when it comes to financing. But it's still possible to get an equipment loan if you have poor credit. In fact, CommercialLoans.com.au has helped many Australians with low credit scores get the finance they need to grow their business. Speak to us today to discuss all your options.

▶ **Do I need a deposit to secure an equipment loan?**

Not necessarily. It depends on the lender and the loan product. At CommercialLoans.com.au, we know the lenders that offer 100% finance. So if you want to boost your business while protecting your working capital, speak to us today.





# Chapter 8:

What do our clients say  
about their experience?



The team at CommercialLoans.com.au have helped me secure business funding several times now. They've always been very efficient and on top of everything, and I wouldn't recommend using anyone else.

— **Susan M**

This was my first business loan – and I couldn't have asked for a better experience. A friendly and professional team were on hand to assist every step of the way. I had loads of questions, and they took the time to explain everything clearly to me. Highly recommended.

— **Mike R**

My bank said no when I approached them for development finance. Thankfully, CommercialLoans.com.au helped get me the funding I needed. Very impressed. They'll definitely be my first port of call next time around.

— **Mark H**

Amazing!! Superb customer service. Quick turnaround. CommercialLoans.com.au always go above and beyond, following through with everything they promise. Will definitely be a lifelong customer based on this experience.

— **Alison K**

What more can I say.... Professional, efficient, always looking out for the best interests of the client. CommercialLoans.com.au simply get the job done!

— **John D**

I will definitely be coming to CommercialLoans.com.au for their expertise again. They succeeded in helping us with a great package, and took care of the whole process from approval to settlement. definitely worth a call if you are looking for finance of any sort.

— **Michael D**

Due to the complex nature of our situation, I have had very disappointing experiences in the past. But dealing with CommercialLoans.com.au has been an absolute pleasure. They look outside the box and really listen to what funding requirements you have. We felt totally supported throughout the process. You should give them a try!

— **Stuart P**

I have absolutely no hesitation in scoring CommercialLoans.com.au 10 out of 10 for their service. They're professional, respond to enquiries quickly, get you competitive rates and are so easy to work with. Job done!!

— **Lisa H**

# Chapter 9:

## How To Get The Right Commercial Loan For You (Next Steps)



**Read enough and just want a free commercial loan assessment? Click below to schedule your call.**

**CLICK HERE**



Commercial finance can be a minefield.

First, you have to figure out which is the right loan for your business' needs from the thousands of products on the market. Easier said than done when every lender has a different set of guidelines.

Next, you have to structure your application correctly. Mess up your application and you'll likely get rejected. That can damage your credit score – which, in turn, can negatively impact your chances of approval next time around.

Navigating all these obstacles takes time and energy – which could be better spent running your business.

So don't try to solve your problem yourself. Ask [CommercialLoans.com.au](https://CommercialLoans.com.au) to solve it for you.

**Secure the finance you need by working with Australia's commercial loan experts. Contact us by calling [1300 169 200](tel:1300169200) or emailing [admin@commercialloans.com.au](mailto:admin@commercialloans.com.au).**

**[commercialloans.com.au](http://commercialloans.com.au)**

