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## Crash and tougher bank nearly scuppered home deal

Vanda Carson  
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WHEN real estate agent Peter Taylor made the winning bid for a \$3.3 million three-bedroom home in Bellevue Hill in September, he was confident he would be able to come up with the cash to complete the sale.

But within a month he was in dire straits.

He could not go through with the sale until he sold his \$7.1 million Mosman home, and so he turned to his long-term bankers for funding. But because Mr Taylor, 47, works in commercial property, an industry perceived to be "at risk", he was hit by the Commonwealth Bank's tighter home lending criteria.

Mr Taylor believed the security the bank wanted was excessive.

The Commonwealth insisted that he give security over his business partner's elderly parents' home in Hurstville before it would lend him the \$3.6 million he wanted to buy the Bellevue Hill home.

Alternatively, it proposed he deposit \$825,000 in cash with the bank, or give security over the \$7.1 million Mosman home which was majority owned by Mr Taylor's former wife.

Details of Mr Taylor's financial woes were revealed in the NSW Supreme Court last month after he was sued by the vendor, Sydney property developer Andrew Boyarsky, 35.

Mr Taylor, who is co-owner of a commercial real estate agency, Taylor Nicholas, is just one of many who have been hit by both the falling property market and the tightening of bank security levels as banks have become wary of those working in industries hardest hit by the downturn.

Mr Taylor valued his share of his business at \$531,000, and said he had another \$100,000 in a family trust, but this was not enough.

Unwilling to provide the security the bank wanted, Mr Taylor was unable to get the loan and failed to complete the purchase of the home.

Mr Taylor told the court he desperately wanted to buy Mr Boyarsky's home, but he could not raise the finance.

He revealed he was due to receive 40 per cent of the proceeds from the sale of his Mosman home as part of a divorce settlement agreed in May last year, and he had a boat worth \$150,000, on which he had a \$140,000 loan.

Fortunately, the Mosman home later sold and he was able to proceed with the purchase of the property in March this year - although he has had to pay 13 per cent interest on the outstanding sale price to Mr Boyarsky.

*This story was found at: <http://business.smh.com.au/business/crash-and-tougher-bank-nearly-scuppered-home-deal-20090608-c0xc.html>*

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