AHURI Darwin - Alternative ownership models

Fractional Property Investment
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Fractional Property Investing

Disrupting the established ways of buying property

Traditionally, property has been an all or nothing proposition, you either buy the whole property or you buy nothing.

Fractional investing enables investors to buy pieces of a property of your choice together with other investors.

Fractional Investing through DomaCom’s platform makes it easy to create a diverse property portfolio.

Fractional investing overcomes traditional barriers to entry in property investing.
MULTIPLE CAMPAIGN CHOICE

HOW TO INVEST WITH DOMACOM

JOIN OUR MAILING LIST

SIGN UP NOW TO VIEW PLATFORM

APPLY FOR AN INVESTOR ACCOUNT

HOW DOMACOM WORKS
DIRECT AUSSIE RESIDENTIAL

Select Suburb

Select Property
Select LVR

La Trobe Financial is lender @ 5.99%
Secondary Market Screen

- Buy or Sell
- At agreed price
- Settles Immediately
- All investors informed
HOUSING AFFORDABILITY?

- Does not mean cheaper
- Fractional investing:
  - Reduces ownership hurdles – buy a “bit of a property”
  - Then rent the property
  - Purchase more of the property later
- Save a deposit by investing the market in which you wish to live
- Invest in second property to provide pathway to “upsize”
SMSF RELATED PARTY ACCESS TO PROPERTY

- DomaCom Spearheaded a legal challenge which clarifies sole purpose test
  - DomaCom wins Full Federal Court Appeal on Sole Purpose Test on August 10th 2018
  - ATO did not appeal to the High Court
  - DomaCom Liaising with ATO regarding SMSF Trustee declaration
  - SMSF’s can invest up to 50% and have a related party rent subject to
    - SMSF Investment strategy allowing residential property
    - The property is managed and rented on an arms length commercial basis (as DomaCom does)
    - SMSF Trustee confirms objective of investment into property is to provide benefits to members upon retirement or death
    - SMSF Trustee does not exert pressure to force rental of property to related party
SENIOR EQUITY RELEASE PRODUCT

- A mechanism for elderly Australians to realise part of the value of their home to help fund their retirement
- ASIC Relief Instrument granted November 2018
- Product is now live
- Allows IFAs to include property in multi-generational wealth planning
- Help solve funding issue for retirees
- SMSF Trustees can downsize by selling a fraction of their house to top up their SMSF
SENIOR EQUITY RELEASE PRODUCT

• Retiree “sells” a fraction of their home
• Can be received as a lump sum or monthly
• Can buy back their equity at any time
• Investors purchase additional equity each 5 years to pay for the next 5 years service fees
  • Fixed for life at around 4.4%
  • Just like rent for the portion of the house sold
• SMSF’s are the natural source of capital
  • Average need for equity release is 15 years
  • Average accumulation SMSF’s have 15+ year investment horizon
**SENIOR EQUITY RELEASE PRODUCT**

- Investors purchase equity every 5 years

- Retirees have permanent right of abode – even after they have sold 100%

- Retirees can rent their home & keep all the rent
  - Can fund retirement home without needing to sell home
  - Can move back in if the retiree does not like retirement home
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