



Presentation
Deferred Deposit Solution

Affordability landscape

1. Real estate prices effected by **INFLATION**

- Example: 5% Inflation, property compound growth over 15 years
- **Property \$550,000**
- In 15 years. **\$1,143,411** an INCREASE of \$593,411
- Average increase **\$3,297 per month**

2. Inflation also effects

- Income: Not keeping up with inflation increases
- Cost of living: Renting + living expenses increase with inflation
- Cash savings: Year-on-year effect, saving for a deposit increasingly **more difficult**, even impossible
- **It's NOT your fault**

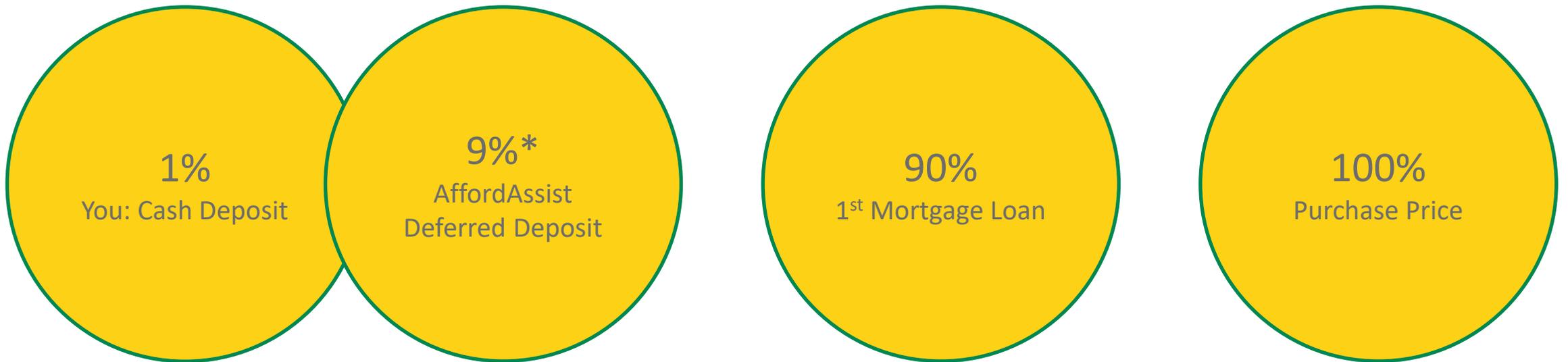
3. Lending

- Has always been about the DEPOSIT
- NO DEPOSIT... Means No Loan... **Means No Sale**
- Housing Policy 1963, Sir Robert Menzies, **LMI** - purchase with **less than 20% deposit**

A word of caution: Future predictions cannot be determined by past performance, for any asset class

How it works

Apply to AffordAssist for a Deferred Deposit Agreement (DDA). Buy with an initial part-deposit, pay the deferred amount to the property vendor within 60 months, without interest:



*may vary up to 15% and include LMI.

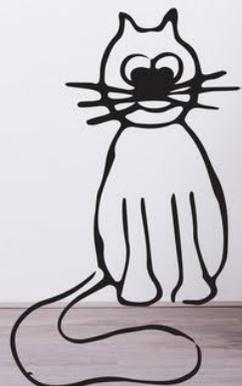
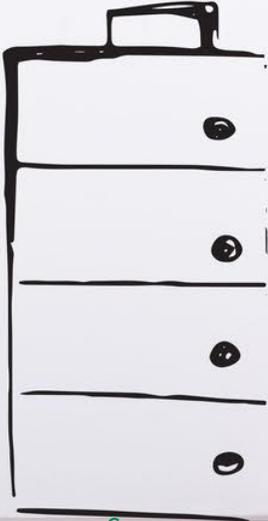
Loan

- Deferred Deposit Home Loan
- Together with an AffordAssist accredited mortgage broker, The AffordAssist Approval may be provide within a few days.
- A Home Loan with an AffordAssist Deferred Deposit can reduce mortgage stress by reducing the loan amount and thousands on interest payments.

Property

- Deferred Deposit Property Sale
- 100% title ownership
- At settlement of your purchase you become the proprietors of the property.
- Pay the deferred amount:
 1. 'Periodically' within 60 months.

Thank You



Apply

1. AffordAssist Customer Care (or Referred by...) can help with next steps
2. Apply when you are ready. Online two forms: **/apply**
 - Pre-Qualification Form, shared with accredited lender/ mortgage broker
 - Fast-Track Readiness Form, part of governance process, **vouch** for our clients
3. AffordAssist accredited lender/ mortgage broker
 - Complete financial assessment - Maximum Property Purchase Price considering the DDA amount and monthly payments
4. AffordAssist Conditional Approval
5. Property strategy/ Plan: Consolidating the information/ explaining the numbers/ action plan
6. Sourcing the property: Select a property within your budget

Next slides
Additional program information

Fees

- **No fee is payable** - Approved Property list
 - The AffordAssist service fees are typically* paid by the property developer or agent
- DDA fee.
 - A service fee covering the Governance process, eligibility and managing the Deferred Deposit Agreement (DDA) is payable. \$3,000 +GST
 - Includes Stakeholders fund, AffordAssist sets aside monies from each DDA to protect stakeholders
- Program governance
 - Solicitor to advise on AffordAssist DDA, \$600 +GST
- Managing the payments
 - \$22 per month (inclusive of GST)
- Select AffordAssist Approved Buyer's Agent
 - Flat fee from \$5,990 +GST (includes DDA) – Retainer Fee = \$3,000 +GST
 - The Retainer Fee, is refundable under certain outcomes

***in some cases property developer, vendors or agents will expect the buyer to pay the AffordAssist service fees.**

Creating generational wealth ...the real secrets

- Australia's market conditions | Real estate prices increase at around **2%** greater than inflation
- Example of **EQUITY** gains (3% inflation + **2%**) with 5% compound-growth: \$550,000 property value



Average increase over 20 years | \$45,465 per year or **\$3,788** per month **NO TAX**

- Median price in Sydney | 1969, \$? | 1980, \$64,800 | 1990, \$194,000 | 2000, \$287,000 | 2010, \$525,000 | 2020, \$872,934

*Regardless of: Interest rates, timing, discount, location, aspect, Government or other factors, you ultimately have to **own a property** to benefit from the EQUITY gains*

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Housing, more than walls – family, social-fabric and economy

- In 2021, there were nearly 9.8 million households in Australia
- **Owners**
 - 32% no mortgage
 - 35% with a mortgage
- **Renters**
 - 31% investors
- One in five households own one or more residential properties other than their usual residence

Consider: Our local economy and interest rates 3%-17% have not stopped real estate sales, the annual sales estimates (ABS) may range from 300,000 – 500,000