



ASSQUIRE®

Want to help your adult children get on the property ladder?

Assquire® Family is the answer.

There's now a much safer way to assist them that can benefit you both. It's called Assquire Family.

Supporting your adult child to become a home owner is no longer about being a guarantor or creating a family pledge. Assquire Family enables you to combine property investing with helping your child into a home of their own or to trade up to their next home. Parents receive a great monthly investment return, and at the same time, your child gets on the property ladder with no more than just 5% upfront (including stamp duty) and no mortgage insurance. They must occupy the home. It's a great way to support children who are credit worthy, working and in a position to afford a mortgage, but simply don't have a large enough deposit saved to avoid costly mortgage insurance.

How does it work?

You, the parent investor, use an existing investment property or purchase a new one. Using our Assquire contracts, you then sell that property to your adult child today, at a pre-agreed price, on a deferred settlement of up to ten years. Your adult child can occupy the home immediately following the exchange of contracts. They make monthly rent and deposit increment payments to the agent for you, until settlement occurs. These monthly payments are in line with a 25-year mortgage plus property ownership costs. You remain on title until settlement, with your child's interest secured by a registered lease and other security.

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Assquire Family combines Assquire investing and Mortgage Alternative home buying to enable parents with a minimum 20% equity in a new or existing investment property to cradle or incubate their child into a home sooner, with lower entry fees, no debt and no mortgage insurance up front.

WHAT HAPPENS IN ADVERSE CIRCUMSTANCES?



Sometimes your child's circumstances change due to divorce, loss of job or illness. By using Assquire Family, it's possible to turn a loss of up to \$90,000 in such circumstances into a much smaller loss or even a capital gain for the investor. You also avoid many of the fees, costs and heartache associated with the forced sale of a home.

When comparing Assquire to a pledge or guarantor in the same adverse circumstances, the difference can be as much as \$140,000 in your favour, by re-Assquiring the property to another Mortgage Alternative buyer. Consider this example where a \$500,000 property loses 10% of its value which is possible in adverse circumstances. We'll assume that under guarantor and family pledge arrangements, you have gifted them a 20% deposit to avoid lender's mortgage insurance. In these figures, your loan/family pledge is secured on title of your child's home, by a second mortgage which is seven years' principal and interest.

	GUARANTOR (bank forecloses)	FAMILY PLEDGE (bank forecloses)	ASSQUIRE (sell property)	RE-ASSQUIRE (new MA buyer)
PROFIT/(LOSS) TO PARENTS	(\$90,207)	(\$75,823)	(\$38,975)	\$50,328
TAX BENEFIT TO PARENTS OF CAPITAL LOSS	NIL*	NIL*	\$24,875**	N/A

*No capital loss is available for taxation purposes to the parent under a guarantee or family pledge.

**This is the capital loss which produces a tax benefit at the applicable tax rate to the investor, when it is able to be offset by other capital gains. No cost base reduction has been included in this example. If applicable, a different capital gain/(loss) to this example may arise under an Assquire case.



Should a fire sale occur under guarantor or family pledge arrangements, as a parent you would lose between \$75,000 and \$90,000! You would also be unable to claim a capital loss for taxation purposes. Under Assquire, you retain the property and keep the upfront deposit. You could lease it out conventionally and your losses would only be \$38,975. But most Assquire investors would simply sell and lease (re-Assquire) the property to another Mortgage Alternative buyer and reap a \$50,000 return over that period. With Assquire Family, your child walks away, keeping any savings contributions and avoiding a fire sale and substantial debt.



Please note: Parents wanting to become an Assquire® investor and sell their investment property to their child, can only sell a property for which Haigslea Residential Limited (HRL) holds an agency appointment (Qld Property Occupations Act Form PO6). So contact us now. If you are looking for an investment property to buy, where HRL already hold this appointment, view our property listings website www.buyorinvest.com.au

BENEFITS FOR PARENT INVESTORS

- Avoids risky guarantor loans and family pledges.
- Your child benefits from equity growth in the property with you.
- You remain on title until settlement. You can contribute significantly to reduce your child's deposit and monthly Assquire payments, but get the house back should your child experience adverse circumstances, like divorce, job loss or illness.
- You receive a great return during the contract period (up to 10 years).
- Your property is professionally managed during the contract period.
- Your child lives in your property, in an 'arms length' arrangement.

BENEFITS FOR ADULT CHILDREN

- Purchase your new or established home at a pre-agreed fixed price.
- Avoid costly upfront mortgage insurance.
- Move in now while you save the remainder of your deposit and build equity prior to settlement.
- No risk of increasing mortgage interest rates for up to ten years - rents are flat. (Only your deposit payments increase annually).
- Contribute to a savings plan.
- Simple exit if circumstances change with usually a much lower loss than a mortgage.
- Choose when you settle (up to 10 years).

CALL 1300 760 213 WEB assquire.com.au PROPERTIES BuyOrInvest.com.au

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