

Hi team,

Thank you for your time working on this application.

As per discussed, I have spoken to the client in relation to their exit strategy.

They have come back with the following options:

- FA is 51 year of age. She works as a senior consultant for [REDACTED]. She is planning to stay in the workforce and continue to be working. She is the primary income earner for the household and still have 18 years to work until she retires.
- MA is 69 year of age. He has 2 businesses up and running. He is a physiotherapist by trade. His attention is working in the business with his current business partner as a consultant. No physical hard work involved.

Current market value of their home is 2.5mil. Total loan amount we've applied for is \$750k, LVR is 30%.

The intention is to downsize to a 2 bedrooms unit when the FA retires from her job.

The reason why they have not any other investment property outside their home is because, they have worked on a different strategy following the advice from their accountant. It is better off to invest and build wealth in his owner-occupied property, in the future, when they decide to sell and downsize, they don't pay capital gain tax which can save them a huge amount of money. This is the reason for cash out. The applicants want to use the equity from their home to invest in their property by doing non structure renovation to their home including redo the bathroom and change the floor board. I am strongly believe this is a very effective strategy given the attention is to downsize in the future.

Their assets are their house and the 2 businesses. They can sell them, using the net proceed to pay off the mortgage balance and still leave with a large of mount of cash.

They currently have a combined super balance of \$180,000.

Accumulated super based on her current income of \$110,000 =  $9.5\% \times 110,000 \times 19 = \$198,550$

Total super balance when she is 70 \$378,550 which is more than the outstanding mortgage balance based on the amortizations calculation of \$361,576.

He is currently receiving \$22,000 pound per annum UK pension indefinitely. This on top of her income can support the mortgage with actual repayment as well.

Overall, I believe it is only reasonable to consider the couple exit strategy. They have worked with their accountant and come up with a very tax effective strategy to retirement.

Please feel free to call me if you have any questions or concerns.

 1300 889 743

 +61 2 9475 4466

 Suite 104, 3 Rider Boulevard, Rhodes, NSW 2138

 PO Box 3726, Rhodes NSW 2138

 info@homeloanexperts.com.au