



# HousingHeroes

If We Can't Help, No-One Can!

## The Deposit Layby™

- The Fast Track to Home Ownership -



The "Home In A Hurry" program that lets you buy the home first and pay off the deposit later; while you're living in the home you already own!





## **The Deposit Layby™** – The Ultimate Fast-Track Buying Program!

Let's face it, buying a home is very difficult.

Trying to save a house deposit on top of the cost of modern living can be nearly impossible.

The problem is getting worse. The government call it the Affordability Crisis.

Unless you have a wealthy family member willing to lend or gift you money, the reality is you'll be stuck in the "Rent Trap" for years with no certainty that you can achieve home ownership.

The Housing Heroes Deposit Layby™ solves this problem by helping you with the most difficult part of the home buying journey; saving the deposit.





# The “Rent Trap” Explained



Without a helping hand to home ownership, renters can stay locked in the “Rent Trap” forever!

Today, a house you want to buy might cost \$400,000.

To buy the home, you need to save a 10% deposit (\$40,000) PLUS an additional 3-5% of the purchase price to pay for stamp duty, legal fees, finance fees, moving and other purchasing costs.

In total, you need to save about \$50,000.

You start saving \$200/wk (\$10,000 per year) towards your deposit while you continue to rent at \$400/wk (\$20,000 per year).

After five years of saving (and losing \$100,000 in rent during that period), you finally have \$40,000 saved for a deposit and \$10,000 saved to cover the other expenses needed to purchase.

However, the same house may now cost you \$480,000 (based the market 5 years later).

The \$40,000 deposit you saved is now less than 10% of the new \$480,000 purchase price. You have to continue renting until you can meet the new 10% deposit requirement (i.e. \$48,000).

The cycle repeats, continues and repeats. You’re TRAPPED!







## What Is A Deposit?

When you buy a home, a bank will lend you money so you can make the purchase.

Realistically, the bank won't lend you every dollar you need. There's a "gap" between the amount the bank lends you and the funds needed to complete the transaction.

This "gap" is the deposit. If you don't have this amount available, you can't buy.

$$\begin{array}{ccccc} \text{Bank Loan} & + & \text{Deposit} & = & \text{Home Purchase} \\ \text{(bank provides)} & & \text{(you provide)} & & \end{array}$$







# The Real/True Cost of Buying a Home.



The purchase price of a home is only one component of what it costs to buy the home.

In addition to the purchase price, you need to pay the associated purchasing costs like stamp duty, building and pest inspections, finance application/funding fees and legal fees etc...

However there are two additional cost factors that many forget to consider:

- 1) Rent paid while saving a deposit
- 2) Increasing house prices during the saving period (i.e. Capital Growth)







## Add the cost of “Spent Rent” to the purchase costs.

If you could buy a house now for \$400,000, you wouldn't need to waste any more money renting. The money you would have spent on rent can be used to pay off your own home.

However, if you don't have the deposit ready, you'll be forced to continue renting while you save the deposit. \$400/wk in “Spent Rent” will cost you \$20,000 every year while you save.

If you need \$40,000 deposit and save \$10,000 per year, it will take you four (4) years to save the deposit. That's \$80,000 in “Spent Rent” trying to buy the same \$400,000 house.







## Own the Capital Growth or Pay For It.



If you have a deposit ready and can buy now, you can lock in the price of the home at today's prices. If the house prices increase over the next four years, you own the growth, it's yours.

If you have to rent for four (4) years while you save a deposit, you'll pay for that same growth when you're finally ready to buy.

You pay that money to someone else because that growth belongs to them, not you.

If a home that's worth \$400,000 today costs you \$450,000 in four (4) years times (because of capital growth), the owner is \$50,000 richer, and you are \$50,000 poorer.

If the house increases in value more than that, the problem is even worse, not to mention all the rent you've wasted during those years saving and getting yourself ready to buy.







## Money Makes the World Go Round!

Buying and selling houses comes down to finance.

If you can't get the finance to buy a home, you can't buy the home.

The biggest hurdle to home ownership is saving a deposit.

**The Deposit Layby™ solves that very problem!**

Rather than renting, saving a deposit, then buying a home...

**...the Deposit Layby™ lets you do it in reverse!**

Buy the home first and pay off the deposit later; while you're living in the home you already own!







**We Lend Buyer's Deposit Funds to Buy a Home!  
...So you can stop renting sooner.**



**The Deposit Layby™** is an advanced, cutting edge product (exclusively available to Housing Heroes) that helps Buyers purchase a home sooner rather than later.

You can stop wasting money on dead rent and you can have price certainty for your home.

This lets increasing house prices work in your favour; because you own the growth. **If you don't own the growth, you have to pay for the growth** when you finally buy the home at a higher price.

**Housing Heroes is the only known agency lending deposit funds to Buyers!**







## The Deposit Layby™ Can Help *Everyone!*

If you're in any of these situations, then we can help:

- You're **sick of renting** and need help with **additional deposit funds to purchase**.
- You have great income but insufficient deposit to buy immediately.
- You have a deposit, however **you need more money to pay the stamp duty**, legal fees, borrowing costs and other purchasing expenses.
- You have a deposit, however you'd like to provide a bigger deposit to **avoid costly Lender's Mortgage Insurance**
- You'd like to **keep your own funds as "reserve"** to look after repairs or other improvements.
- You need extra funds to **cover the cost of renovating a property**.
- You're an investor who wants to use as little of your own money as possible (i.e. increase your overall LVR and **improve your "cash-on-cash" returns**).







# Pay Off Your Own Home, Not Your Landlords!



Everyone knows the rent you pay is paying off the landlord's property.

You go to work (and you work hard) to bring in the money that pays off the landlord's asset.

It doesn't seem fair. You're working to make them richer.

**Maybe it's time to put that same money into your own asset, not the landlord's asset!**







## Secure Certainty for You and Your family!

### What happens if the landlord decides to sell the home you're renting?

If they sell to another investor it's probably ok, however if they sell to someone wanting to move into the home, it means you have to move out.

Not only is it very inconvenient packing, moving, changing phone numbers and mailing addresses etc..., it's expensive.

It can cost you many thousands of dollars to move and re-establish yourself in a new home.

If you have children in school, it's a massive distraction to their study and may even risk not finding a new place within the school catchment zone (which impacts enrolments).

**When you own the home, you have control!**







## How to Avoid / Reduce Lender's Mortgage Insurance



Lender's Mortgage Insurance protects the banks, not you. However you're the one who has to pay the premium on the bank's behalf. You get nothing of value for this money.

It's not fair, however that's the way it works unfortunately.

If you can provide a 20% deposit (combining your own savings with the Deposit Layby™), you could avoid paying mortgage insurance altogether.

**This can save you thousands in unnecessary fees!**

The Deposit Layby™ also helps investors continue to build their investment portfolio, even if they're impacted by the recent APRA lending restrictions.







## How Investors Can Increase “Cash-On-Cash” Returns

Many investors talk about improving their “cash-on-cash” returns. This simply means they achieve a **higher “rate of return”** if they have **less of their own money invested** in the deal.

If they have \$100 invested in the deal and they receive a net income of \$10, they have a 10% “cash-on-cash” return.

However if they only have \$50 invested in the deal, and they receive a net income of \$7 (after paying the extra interest), they have a 14% “cash-on-cash” return.

Some investors consider this to be a significant advantage.

*PLEASE NOTE: This is not financial advice and no representation is being made. Independent financial advice should be sort before taking any action.*







## Using OPM (Other People's Money) to Renovate



Buyers often need money after settlement to pay for renovations, improvements or other repairs.

**The Deposit Layby™ gives you the extra money you need to get the job done!**

It simply doesn't make sense to use your own money for renovating when you can use OPM (Other People's Money).

**Considering there's no penalty interest rates, it just make sense!**

Having that little bit extra allows you to do that little bit extra. If done correctly, higher standard and better quality improvements should increase the value of the home further.







**Keep your own money as a “Safety Fund”.**

**Using all of your savings to buy a home can put you in a very high risk situation!**

If anything goes wrong with the house (i.e. your hot water system dies), you’ll be in hot water, without actually having hot water.

If you have a family emergency, having some extra money available may be exactly what you need to help solve the problem.

The Deposit Layby™ lets you keep some of your own money as “reserve” funds to ensure you have a financial “safety net” if needed.

**It costs no more, it simply gives you more options!**







# How It Works!



Traditionally, real estate agents charge the Seller a percentage of the Sale Price (i.e. your Purchase Price) as the Agent's Fee.

**100% of Purchase Price = Agent's bit (A%) + Seller's bit (S%).**

This means you (as the Buyer) need to save your deposit first, secure bank finance, then give the Seller 100% of the Purchase Price as a lump sum at settlement.

The Seller receives the lump sum (100% of the Purchase Price) from you (the Buyer), then the Seller pays the Agent their bit (A%) as a lump sum.

The Seller then keeps the rest (S%).

**The Deposit Layby™ changes the traditional payment process.**  
**Our unique approach now gives you a genuine advantage!**

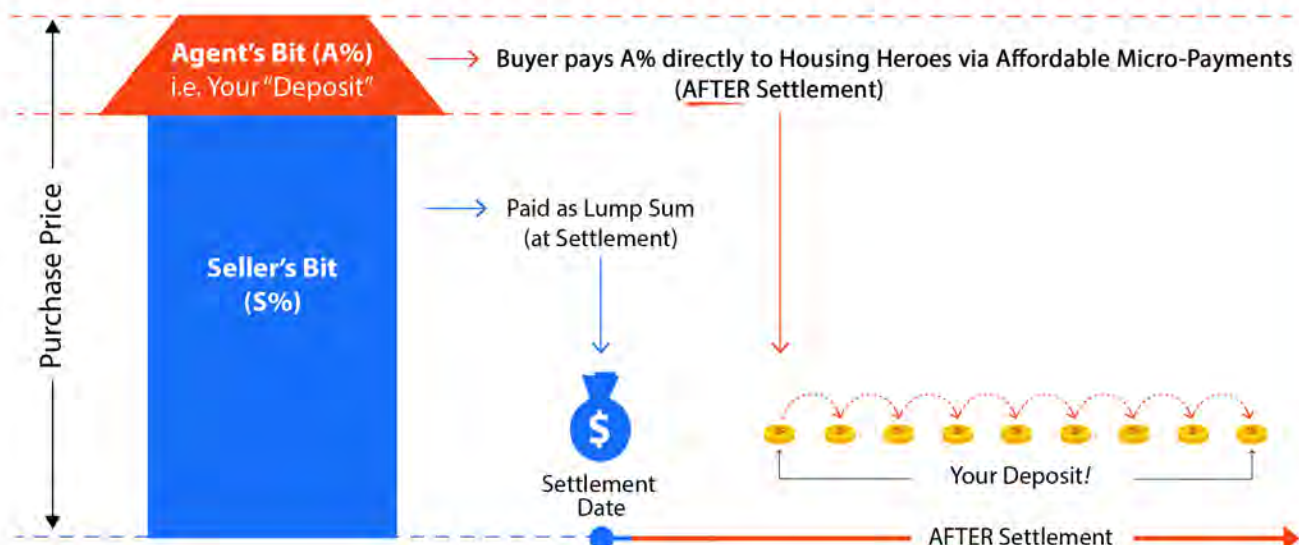
Under the Deposit Layby™, you only need to pay the Seller their bit (S%) as a lump sum at settlement.

You can pay Housing Heroes our bit (i.e. A% - our fee) via micro-payments after settlement.

This means you don't need 100% of the purchase price at settlement, so you can buy sooner.

You can use our Agency Fee as your "Deposit".

Effectively you're paying off your "Deposit" after you own the home; via affordable weekly or monthly micro payments. **It's Magic!**







## Why would a Buyer agree to pay the Seller's Fees?

Put simply, we let you use our fee as your “deposit” so you can buy a home sooner!

Instead of saving this money first as a lump sum (then giving it to the Seller who then gives it to us), you can pay it directly to us in micro payments after settlement.

This lets you buy a home NOW and “save” the deposit later (via our affordable payment plan).

That's why it's called the Deposit Layby™ ..... you “Layby” your deposit.

- You avoid wasting time and money renting while you save!
- You have price certainty!
- The capital growth belongs to you!
- You live in your own house while you pay off the deposit!

**Selling Agent's Commission = Buyer's Deposit**

**No other agency will do this for you!**







## How to Qualify

Although the Deposit Layby™ is not a loan, it is a style of agreement that is regulated by ASIC as a credit contract. An ACL (Australian Credit Licence) is required to provide the product.

As a result, we need to ensure we are following the “Responsible Lending Guidelines”.

Affordability is very important. You must be able to afford the payments of both the primary loan and the Deposit Layby™ payments without placing yourself into financial hardship.

To qualify for the Deposit Layby™ program, you must qualify for finance with a traditional lender.

An assessment process is required which includes completing an application form and providing supporting documentation. Minimum income levels and secure employment are required.

Because traditional agents don't hold an Australian Credit Licence, they cannot offer this product. This means buying a home through Housing Heroes gives you an advantage!







# Q & A and the FAQs



## Are we just puffing up the price?

The short answer is NO!

Quite frankly we can't sell a house for more than it's worth. It still has to "value up" when your primary lender approves the finance. Their valuer won't let it sell for more than it's worth.

## Why doesn't every agency offer this product?

The main reason..... legally they can't.

Lending deposits to Buyers is regulated by ASIC (Australian Securities and Investment Commission) as we are providing credit.

This means we need to hold an Australian Credit Licence to provide the credit. No other known-brand agency has this licence so they cannot provide this selling solution.

Any agency that tries to offer this product without a licence is operating illegally and may put you at risk.

In addition to the strict licensing requirements, most agencies won't risk their own commissions for your benefit.

## How long does it take to be approved?

A quick, initial review of your current personal situation will allow us to give you a reasonably good indication whether the Deposit Layby™ is a suitable program for you.

## Is the Deposit Layby™ available on all Housing Heroes properties?

The Deposit Layby™ program is only available on nominated properties.

If a property indicates the Deposit Layby™ is not available, please ask our sales team if it can be made available on the program so we can discuss this with the Seller.

## Are there fees and charges payable?

Moderate fees and charges can be payable. These are discussed and disclosed during the application and approval process. These costs can be offset by our referral program and various other promotions conducted at the time of application.







# Home Ownership Guarantee!



Your Own Home In Your Own Name

## **GUARANTEED!**

We put our own money into the deal  
to ensure you get the best possible outcome!







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Australian Credit Licence: 443249  
Real Estate Agency Licence: 3036593



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