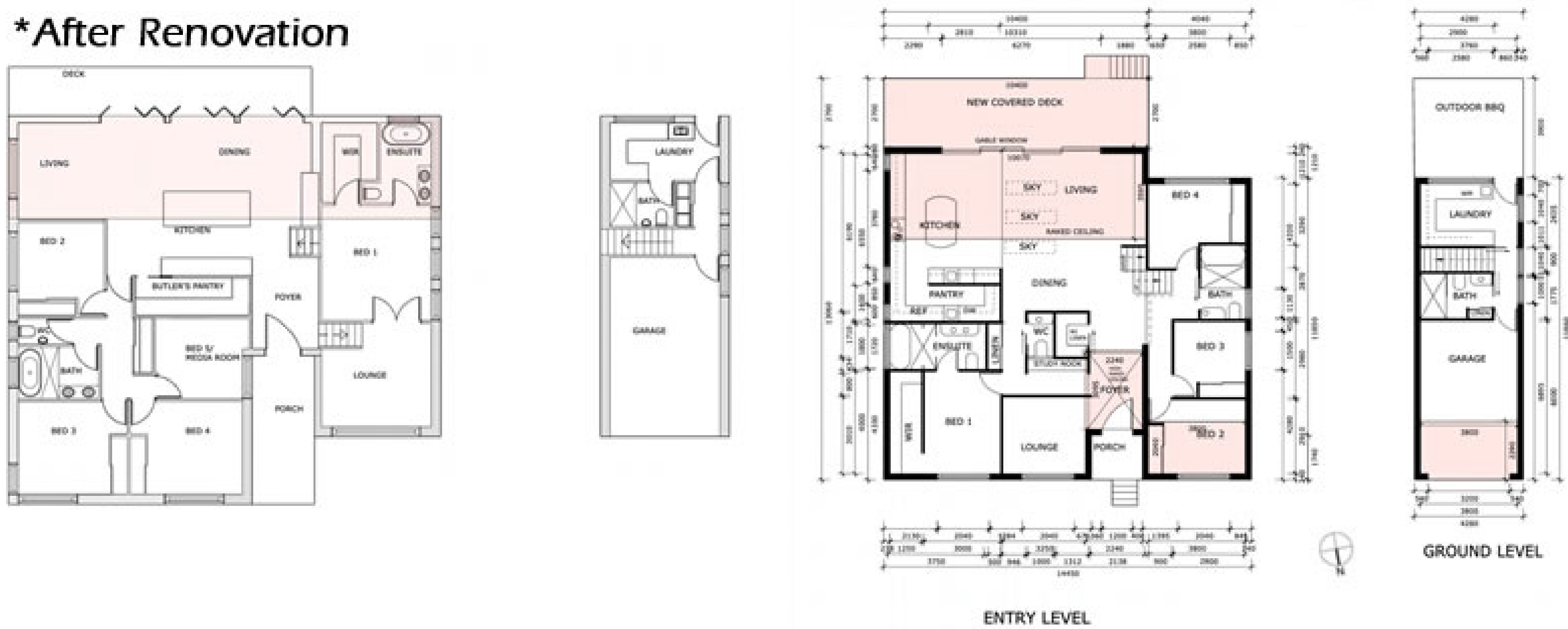
*After Renovation



June 2025

Our client is a Property Flipper and after reviewing and missing out on a number of suitable properties, an unconditional contract was entered to purchase a property suitable for renovation in preparation for sale. Indicative profit net of expenses circa $590k...

Our client is a first time property flipper who intends to purchase property and renovate for profit. Contacted us as a result of our internet advertising and wanted a loan to purchase followed by a 2nd loan to renovate using end value lvr.

Banks and non-bank lenders will lend against property value as-is + the cost to renovate and then apply their max lvr to provide the loan amount. With us, the loan can be up-to 70% to purchase the property and we'll provide a loan secured by a 2nd mortgage on a drawdown basis to provide the construction funds based on end value i.e upon completion value.

The loan they were seeking was to cover 6-9 months of retained interest, loan fees and provide gross $500k cashout towards renovation and council expenses.

Location: Wamberal Central Coast NSW

Circumstances: Property was purchased only after the purchaser had undertaken several days of due-diligence on: pricing to renovate, the financing costs and holding interest costs, securing a suitable builder to partially demolish and rebuild sections of the property, and working in with a few real estate agents to establish the end value to ensure there was genuine realisable profit after tax and all expenses. The valuation we arranged confirmed the end value and the net profit resulting in the contract going unconditional. A 3 month settlement was negotiated saving the purchaser in holding interest.

Client contributions: The purchaser had around $700k in available cash

What I did: I arranged 2 loans, firstly a loan to purchase and a second loan with a funding line that offered drawdown loans by 2nd mortgage based on end value. No accountant letter required as interest was included into the loan. Interest rates were low.

Loans provided: $1.085m by 1st mortgage and $500k by 2nd mortgage

Outcome successful: Contract went unconditional, deposit paid to the agent, valuation already in place and now only awaiting settlement. By the time settlement is ready to occur, the purchaser will have DA in place with builder ready to immediatley commence demolishion and construction. A great outcome for the purchasers!