July 2025

Our client entered into a contract to purchase a property in Jan 2025 with a 6 month settlement period. Settlement date arrived in July but purchaser wasn't ready due to circumstances beyond their control. Because of Qld's 5 business day penalty period, settlement occured on the very last day of the penalty period. Purchase was subdivideable from 1 title into 2 titles as of right simply by application to Council...

Our client entered into an opportunistic property purchase contract in Jan 2025 with a 6 month settlement period. The plan was to hold the property for some time to allow other property and vacant land to commence construction of new dwellings and progress approvals through Council for subdivision and building permits etc.

Location: Biggera Waters and Paradise Point QLD

Circumstances: Owner used existing equity in vacant land to assist with the property purchase. It was also expected that the increasing values in existing property and land portfolio would result in either higher LVR loans or borrowing against current value vs contract value. During the 6 months waiting for settlement, the valuer returned a valuation increase of $125k representing an instant gross profit of $125k!

Client contributions: The owner used only vacant land equity

What I did: I arranged a loan of $1.285m to pay 100% of the purchase price, pay the stamp duty, prepay several months of interest and pay the loan setup fees. Our funding line used an owner provided valuation from the existing 1st mortgagee on the equity release and relied on the contract amount for the purchase. The lvr for the property was 75% and the lvr for the vacant land equity release by 2nd mortgage was also at 75%. Most lenders will offer lvr's of 50%, 55%, 60%, 65% and a handful at 70% depending on the location. Our funding line didn't require their own valuation, didn't require the owner to have a solicitor for the signing of loan agreements or receive legal advice and instead used video signup. As interest was capitalised, there was no requirement for an accountant letter or lodoc declaration.

Loan amount provided: $1.285m

Outcome successful?: Yes! Settlement occured, no loss of purchaser paid deposits, no funds required by the purchaser, no solicitor required saving time and thousands, no accountant letter saving time, no valuations also saving time and thousands and preserved the min $125k in new equity just by holding the property and purchasing well by taking advantage of the Gold Coast property market.