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Property investment diversification



Situation

Married couple in their early 40s, both self employed running a small business for several years

Summary

Greg and Susan* have an SMSF with a decent balance and are interested in diversifying their investment portfolio by investing in real estate. They have have identified a residential property in an emerging suburb that they believe has strong potential for rental income and capital appreciation. The couple doesn't have enough funds within their SMSF to purchase the property outright, so they consider taking out an SMSF loan. They've also worked out that the rent won't cover all the repayments so they need to be able to use super contributions to help with servicing.

Solution

Retro's SMSF product would suit their situation as it has:

- The ability to borrow up to 90% of the purchase price meaning they don't need to use up all the funds within the SMSF
- Simple loan structuring as Retro can easily integrate with existing SMSF structures meaning the clients don't have to set up brand new trust structures.
- The ability to utilise super contributions on top of rental income results in enhanced servicing allowing them to borrow more whilst enjoying benefits such as tax efficiencies and diversification.

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