

Australian deposit product now available in SA

ALLIANCE Group has now launched a revolutionary financing product in conjunction with Lombard Insurance Company Ltd, where approved buyers will no longer be required to put down deposits or commissions prior to registration of transfer.

According to Alliance Group's Gary Palmer, "Not everyone has cash readily available to pay the deposit and commission required when purchasing a property on auction. We have now teamed up with Lombard Insurance, a subsidiary of Hollard Insurance, to offer our clients Deposit Advantage, a similar product to one, which has been operating in Australia since 1989."

Deposit Advantage offers financial guarantees that postpone the deposit and commission payable to the seller and auctioneer, respectively, after the property has been knocked down at auction. The product is available for residential, commercial and land purchases.

Comments Palmer, "This is the answer for individuals who wish to purchase property but have their cash tied up in current investments. It now means that they can secure new investments without touching their savings, which can be invested and earning returns elsewhere. More importantly, it also avoids purchasers having to the convenience another major difference between using a guarantee and raising traditional source of funds is the cost. Deposits and commissions have been traditionally

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funded out of savings, the proceeds of the sale of a home, which often requires expensive bridging finance or by accessing money from your bond. Some of these come at a significant cost. A three-month guarantee – for which you pay a one-off fee, is currently available for 2% plus VAT and is issued within 24 hours upon receipt of an application and supporting documents."

The scheme originated in Australia in 1989 and is available in New Zealand, the UK, and the USA and has recently been launched in Asia. In New South Wales, Australia alone approximately 25% of buyers use this facility."

Deposit Guarantees

Deposit Guarantees replaces the cash deposit that is normally paid by a buyer

to a seller to secure a property. It allows you the opportunity to pay the full amount of the purchase price upon registration of transfer, instead of raising the cash deposit upfront. Deposit Guarantees are available for periods of three-, six-, 12- and 24-month terms.

Commission Guarantee

The Commission Guarantee is exclusive to clients of Alliance Group only. It is an entirely new product to South Africa and is adopted for the same reasons as a deposit guarantee. This product allows buyers the option of postponing the payment of auctioneers' commission by up to three months, or on registration of transfer, whichever is sooner. Commission Guarantees are available for up to three months only.

Buyers can apply for a deposit or a commission guarantee online at

www.depositadvantage.co.za by contacting the Deposit Advantage Helpline on 0860 110 313 or through Alliance Group at www.alliancegroup.co.za/advantage.

Guarantees are usually approved and issued within 24 hours of an application and supporting documents, enabling buyers to present the deposit or commission guarantee at auction after the property has been knocked down to them.

To qualify, applicants will need to demonstrate that they have sufficient funds to complete the purchase by the transfer date.

Concludes Palmer: "These products make it easier, quicker and cheaper for those wanting to capitalise on the numerous opportunities being brought to our auction floors."

For more information on this and other unique products visit www.alliancegroup.co.za



Faces of Alliance



Ryan Joffe

WHILE growing up, Ryan always had a strong interest in property and, through the years, this has culminated in a way of life for him. After joining Alliance Group in May 2002, Ryan worked in various divisions across the company, always building on his skills set and experience.

Since becoming a broker in 2005, Ryan has been responsible for several high-profile sales which, in the last year, include the Newport Building in Mouille Point for R43 million and an entire block in the Cape Town CBD for R72m. In the past two months alone he was instrumental in facilitating the sale of the old Phoenix Hotel for R35.7m and its neighbour, ICG House for R36.8m.

Ryan's experience and tenacity is evident when you consider the R500m in deals he has concluded over the past four years. His key areas of focus are the Cape Town's CBD, the Atlantic seaboard, Paarden Eiland and Maitland. Ryan believes in building relationships one at a time and making them last through superior client service and delivering results.