

Bid to help property purchasers

THE 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'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 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, "More importantly, it also avoids purchasers having to liquidate assets, cashing in on their fixed investments or selling shares only to find themselves with an unsuccessful bid at auction and having to reinvest their monies."

Adds Antony Solomon of Lombard Insurance: "In addition to the convenience another major difference between using a guarantee and raising traditional source of funds is the cost.

"A three month guarantee – for which you pay a once-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 US and has recently been launched in Asia.

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