

Deal of the Month.

Property purchase – Judgement

judobank

Customer profile

- Semi-retired customer who owns 25% in a large state-wide wholesale distribution business that's been trading over 25 years
- GSA and Guarantee not available for trading business
- Dividends paid to family trust confirm for last 5 years
- Strong SoP with \$10m in unencumbered property

What they needed

- Purchase a commercial property worth \$6m with 1 tenant on 5 year lease
- Max LVR at cheapest price

What happened

- Other lenders would only use rental income and therefore max LVR was 45%
- They didn't consider the trust income of the personal ITR income which was approx. \$1m p.a.

The Judo difference

- Due to the character, cashflow and capital position of the Guarantors Judo would consider 100% LVR with various rates quoted based on the LVR
- The client decided on a 70% LVR 5 year I/O with the family trust as the borrower and personal guarantees
- The customer has since purchased another commercial property with Judo as the funder and taking the customer exposure to \$7m

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