

COMPANY CASE STUDY



Teacher couple receives inheritance and want to secure their financial future.

AT A GLANCE

- 51-year-old husband and 46-year-old wife, both teachers, with 2 grown up children.
- \$ 1.2 M home with -\$ 350 K mortgage
- \$ 60 K in Kiwisaver
- \$15 K limits on 2 credit cards
- Retirement Goals: At the age of 65 with \$ 100 K per annum income



“We would like to say thank you to Home Advantage and the company's team of panel advisers & specialists for all their work and assistance in helping us get started in the direction of our financial goals through their 3-step programme”

Clients Testimonial

PREAMBLE

When the teacher couple first approached Home Advantage, they were keen on using the inheritance as a deposit for an investment property.

They were unsure whether this was the best utilisation of their 'liquid' funds and didn't have a financial plan in place. Although they appeared in good financial nick, they were uncertain about their future.

WHAT WE DID

We recommended that they have a comprehensive financial plan drawn up by one of our panel financial advisers, which would not only look at the best options for the inheritance money that they had just received, but would also review their entire personal financial position, and draw up recommendations and a road map for best achieving their goals.

They agreed with this and our Financial adviser drafted and presented them with their personalised financial plan (PFP). Once their PFP had been presented, and they had come on board as clients, the Home Advantage team helped them implement the next steps including initiating a Managed Funds portfolio, updating their estate planning, and securing a sound new-build investment property project, comprising of three individual 3-bedroom properties in a medium density format, in a growth suburb of Christchurch.

RESULTS

- Fully paid off their home mortgage ('bad debt') with some of the inheritance money.
- Initiated a Managed Funds portfolio with expected 6-8 % returns.
- Leveraged their mortgage free home to purchase 3 x 3-bedroom new build properties (Rendered image pictured above)
- Gained \$ 250 K in capital growth
- Created a positive rental income of + \$ 10 K p.a.
- Created a diversified investment plan.
- Tidied up their estate planning.
- They are now on track to achieve their financial goals in 10-12 years (vs. 14-15, originally planned for).