

Cash in now, sell later

New scheme offers alternative to reverse mortgages

GIUSEPPE TAURIELLO

HOMEOWNERS needing cash flow can commit to selling their properties decades into the future at today's price in exchange for a monthly payment from the eventual buyer, under a new scheme developed in South Australia.

Two Adelaide entrepreneurs have created Popi (Property Options for Seniors, Pensioners and Investors), a tool that offers investors the chance to buy a property in the future with the price frozen at current levels.

Homeowners over the age of 60 are being targeted.

In return, the investor pays the homeowner a monthly

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amount until the sale is triggered by the homeowner's death or a decision to move.

Financial planner Brenton Harris and solicitor Sean Ryan, the brains behind the concept, completed the first Popi agreement last week after a three-year development phase, consultation with the Australian Securities and Investment Commission, and a Centrelink ruling confirming

monthly payments would not affect age pensions.

"We came across, through our travels, a dodgy scheme that was operating seven or eight years ago in Melbourne," Mr Harris said.

"It had some similarities but it was quite different.

"We needed to go to ASIC to make sure we weren't treading into the realms of financial advice."

In one example listed on the company's website, a property in Unley Park valued at \$700,000 would guarantee the owner a monthly payment of \$1360 a month for the first five years, then \$1110 a month for the next 20. The payments are not subtracted from the

\$700,000 value of the house.

The model has been widely endorsed as an alternative to reverse mortgages, which offer homeowners access to the equity in their home by taking out a loan with a bank.

Council on the Ageing SA chief executive Ian Yates said cash flow was an increasingly important issue faced by the country's senior population.

"The general principle of people wanting to access equity in their home - there are more and more people wanting to do that," he said.

"Our advice to people is that these things are very complex and they need to get independent financial advice."

Real Estate Institute of

South Australia chief executive Greg Troughton said the model was a good way of removing the risk of fluctuating future home prices.

"It looks exciting and clean," he said. "My only concern would be that the elderly are looked after, not only at the point of signing up but to make sure they get their money each month."

Barry and Sandy Budgen are selling their Eden Hills home and say the extra Popi income will allow them to travel.

"We get the benefits of the cash flow paid while remaining in control of when the sale actually takes place," Mr Budgen said.

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CONTROL: Homeowners Barry and Sandy Budgen.
Picture: STEPHEN LAFFER



THE STORY OF LIFE: Calvary Hospital volunteer Louise Finnane co-ordinates a service that writes the biographies of terminally ill and palliative care patients.

Picture: MATT TURNER

Keeping life's memories alive

AMELIA BROADSTOCK
CITY NORTH MESSENGER

LOUISE Finnane believes in the power of stories. She believes every life, in its own way, is extraordinary and that before it ends it should be recorded and handed to a person's family so that the memories stay alive.

That is why the 81-year-old started the Biography Service at Calvary Hospital in 2007, with a team of 17 volunteers to write the biographies of palliative care patients.

Since then Mrs Finnane has seen more than 156 biographies written and given back to patients and their families.

"I give people the opportunity to tell their story, because every life is extraordinary," Mrs Finnane

said. "Most people don't think they have extraordinary lives, but once they tell their story, they see they've done wonderful things."

"I believe telling their story is all a part of the healing process at the end of their life."

The North Plympton resident, who has been a volunteer at the North Adelaide hospital for 16 years, said she was

"lucky" to have been able to bring the service to SA. She also runs the Fra Angelico art program at the hospital.

The City North Messenger has nominated Mrs Finnane for a Pride of Australia medal in the care and compassion category.

To nominate: visit
www.prideofaustralia.com.au or twitter:
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