

## Property

### LongView: property investors' plan to compete with the bank of mum and dad

The bank of mum and dad is facing competition from investor-funded co-buying schemes. Find out how you could boost your budget to buy homes worth up to \$3m without tapping the rels.

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A Bondi home purchased by LongView investors alongside a homebuyer.

The bank of mum and dad has competition, with real estate investment funds now being set up to offer extra cash to homebuyers in corporate co-buying schemes.

Available in Melbourne, Sydney and Brisbane as the corporate world looks to mimic the Victorian government's co-buying scheme, they're being joined by developers offering to let tenants turn rental payments into deposits to build new homes.

Coming fairly close to free money, Demographics Group co-founder Simon Kuestenmacher said private players competing with the bank of mum and dad was a better result for the country than government co-buying schemes like the Victorian Homebuyer Fund or the federal government's planned Help To Buy scheme.

"It creates a system where the government wants housing to become more expensive, and that's not good; they should want to make sure everyone is in an affordable home," Mr Kuestenmacher said.

The demographer added that, unchecked, the bank of mum and dad was a danger to overall housing affordability as over time it made it harder for people whose parents do not own homes to purchase and could perpetuate affordability issues into future generations.

LongView founder Evan Thornley said the firm's new Buying Boost fund was aiming to connect \$30m of investor capital with 200 homebuyers, including first-home buyers, upgraders, new migrants and single-parent households.



A Windsor home that shows the sorts of properties LongView are co-buying.



A Bondi home among those LongView have co-bought.

"We are expecting to be helping people buy homes from \$800,000 to \$3m," Mr Thornley said.

"Most kids from a single-parent family won't have a bank of mum and dad. And for some families, they can help one kid, but not their other two or three."

Mr Thornley said he expected it to appeal to investors who could get a share of profits from investing in a family home, once it was sold, that had been reviewed as likely to receive significant capital growth by a team of expert property investors, without any landlord responsibilities.

Supratik Choudhury joined LongView's trial phase after buying a Box Hill house in 2022.

The father of two and his wife found themselves in need of assistance when interest rates jumped 1.75 percentage points between when they bought the four-bedroom home in May and their settlement date in August.

"It would have been a sudden death situation for our home," Mr Choudhury said.

"And it's a matter of time before people realise the benefits of this style of investing."

Late last year Resimax chief executive Aziz 'Ozzie' Kheir began offering build-to-rent houses in estates to the city's west and south east.



Some of Resimax's build-to-rent houses are being offered to tenants who will have their rent put aside as a deposit to buy them.



A Victorian home being offered by Resimax where tenants can turn rent into a deposit.

He's now offering a leap year incentive allowing tenants to turn their rent into a deposit to build a home, or to purchase the one they're in — effectively matching the option of moving in with family to save.

"For a lot of the people living in these houses, it's a family with two kids," Mr Kheir said. "And they can't move back in with mum and dad."

He said the development firm expected benefits from a few hundred tenants they anticipated would join the program as they developed a greater interest in the community around them.

Mr Kheir added that once the marketing and referral fees usually associated with securing a buyer for a new house were considered, the about \$20,000 they were forgoing was worth the loss.