

IS BUYING A HOME VS RENTING ALWAYS THE RIGHT OPTION?

How challenging the mindset of owning a home vs renting has opened endless opportunities and life experiences for Maria and Pablo.



IN THE BEGINNING

Maria and Pablo migrated to Australia as young IT professionals. Over the course of the following 20 years, they managed to build a small portfolio of investment properties, did not have any bad debt, and managed to own their residential home mortgage free. Deciding what to do next at this stage in their lives was affected by the following three concerns:

- Children finishing high school
- Higher disposable income
- Avoiding long commute to work/university for all family members

THE PROCESS

Maria and Pablo knew that they needed an in-depth financial assessment to move forward without jeopardising the personal wealth that they had built from years of hard work and family sacrifices. They were seeking an adviser that would listen and understand their dreams and goals, while at the same time have the right strategies in place to protect what they had built together thus far.

Luke was recommended to them by a close friend, and he did not hesitate diving into an exploratory session with Maria and Pablo which uncovered what was important to them and helped them identify and articulate their short, medium, and long-term goals. Nothing was “off the table” and topics covered included their personal aspirations, lifestyle choices as well as where they wanted to be at retirement age and beyond. From this initial meeting, an advice map was created which gave Maria and Pablo a visual record as reference to refer to from the starting point onwards. This map was regularly revised at each meeting to ensure its relevance and accuracy reflected their needs and goals.

Once Maria and Pablo’s advice map had been established, Luke proposed (as a first option) that they sell their family home and use these funds as a tool to maximise the compounding factor within the superannuation framework. At first, Maria and Pablo thought this was a crazy idea, but upon reflection, now realise that this decision freed them up to live for nearly 10 years in areas of Sydney they could only dream of, allowed them to downsize organically as their children left home, and delivered on their dream to travel and live overseas for 18 months. Maria and Pablo agree that it was strange at first not to have a place of their own, but for them the benefits far outweighed the drawbacks.

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THE OUTCOMES

Since commencing their partnership with Fortitude, Maria and Pablo feel confident that the initial strategies there were recommended and put in place have successfully delivered on their financial goals without any impact on their desired lifestyle before retirement.

IN THEIR OWN WORDS

“The way that this relationship works for us is that we have now a trusted advisor that not only just answers our questions but provides us with a number of options that allow us to make an informed decision (choosing the right amount of risk that we are comfortable with, while at the same time maximising our returns). Luke and Huw are our sounding board to help us identify the best path to achieve our ever-evolving goals.”



GET IN TOUCH WITH US



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