Refinancing, Selling and Purchasing with a Guarantor all on the same deal! Stress city but worth it.

Louise: Welcome! Rodrigo and Kerri-Ann, how lovely to be with you today. Although we've just been chatting. Kerri-Ann, tell us, what happened when you were buying your house, when you wanted to get a loan?

Kerri-Ann: Well, we had lots of dramas trying to get a loan, prior.

Louise: Yes, you did. Didn't you? I remember now you were with the property group who told you that you couldn't borrow. Wasn't that right?

Kerri-Ann: Couldn't borrow at all! And we were like, how can that be possible with the amount of money that we had and were making, with the business and everything like that. And they said no, you can't borrow and I was devastated. And our accountant wasn't doing the right thing by us and when we got into an accountant through that agency, and Louise oh my God, you changed our lives.

Amazingly negotiating the price at the end, but Louise made it all happen. She even came up and in person, and gave us the loan documents because she was worried about it because of the way the banks are, (I was in QLD working anyway so it was easy) they're so crazy at the moment. But we didn't miss out, negotiated our price right there on the spot with a finance clause. And we did that and we got the house at the end and went through smooth sailing, and oh my God, everyone should go through Louise! It was amazing!

Louise: That's a lovely recommendation. Thank you.

Kerri-Ann: That's the honest truth.

Louise: I appreciate that. I know you've got to run Kerri-Ann and I really appreciate you giving us the time but I'm going to talk to Rodrigo about the details because there were some really interesting points in that. One was on how different people treat self-employed income - what was one of the issues.

Kerri-Ann: Yes, very much so. And how they can go from borrowing no money to borrowing the amount of money we could was like, omg! So thank you!

Louise: Pleasure. Thank you! Go and have a great day! See you!

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REFINANCING, SELLING AND PURCHASING WITH A GUARANTOR ALL ON THE SAME DEAL!

Louise: So back to Rodrigo who runs all the money side of the business, so let's chat about when we originally met, we were talking about you trying to sell one property and buy another one. And we were struggling to get the right information from accountants and such and then we finally got all that together and sorted, which was great. But when you meant to make an offer, tell us what happened when you were offering on this property that you actually ended up with? What did the agent who was harassing you, I gather, pretty heavily regarding making an unconditional offer with no finance clause and a lot higher than you wanted to give. So can you tell us what happened then?

Rodrigo: Well, the market was really hot and it's still hot up here. And where we want to buy houses are going out for sale and in a matter of hours still have a contract all in, and it will be sold, so we start panicking because we had three other contracts that fell through on our own house.

Louise: Really, Really hot!

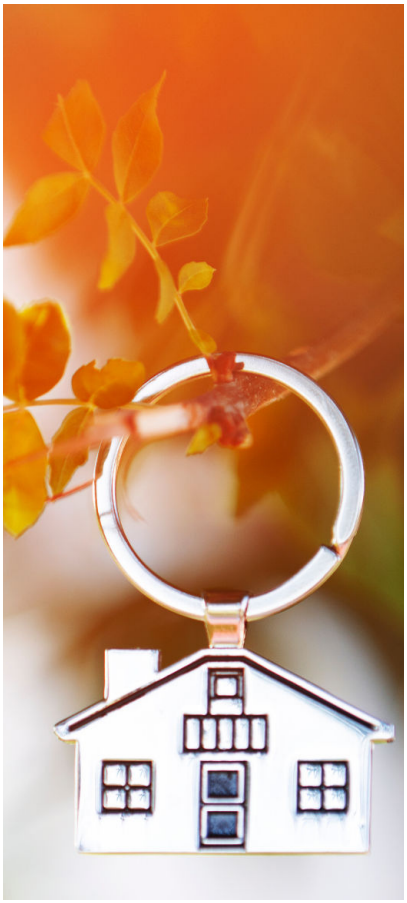
Rodrigo: Yes.

Louise: I'm gonna mute myself because of the noise here. I'm sorry, it's like a warzone. A lot of renovations around me.

Rodrigo: So as I was saying we lost three contracts, and we sold this house, and we said oh, this is gonna be our ballpark. I didn't even turn up to see the places, just Kerri-Ann, and her mom. I said you just go and have a look, you know. I was a bit devastated by them because we had a house that we thought was really good. And then we planned everything around and even the kids already had planned all the furniture and everything and then it fell through because the accountant didn't come to the party on time. The owner made it difficult for us as well. And then later on we found out he did a handshake with his neighbor.

But anyway, moving on, we got to this place, they had a look. And then they said you got to come and have a look. I said alright, we'll go and have a look, and we were here for nearly two hours, and then back and forth with you. The original price was 2.2. That's what they wanted. And then we called you and we said we really like the place, and then you said no, that's too much. Let's best do 2, I think you said. The real estate wouldn't take 2, we said alright, we'll go 2.1. That's our final offer. We went home, then later that night, he called us back, and we came. In the end, we came to 2.15.

Louise: I remember you saying the agents said, oh, they'll never take less than 2.2.



Rodrigo: Right, yeah, they all do, isn't it? And they play with your emotions because we, by then, we've been on the market already for over a month, and we're watching the market. And like I said, in these areas, things are coming up and going like all pancakes. And having those three other contracts when selling fall through and then we already have a contract on our place, not for the money we wanted, because when we put our place up for sale, we had an offer within five minutes. And if we had sold our property immediately, we would have gotten more money than we did. But we would have ended up in a place that is worse than this one, so they say always take the first offer and we didn't. Yes, then we couldn't sell the place back to nearly close to the offer and we're like, we shouldn't take, we shouldn't take. And we didn't. And then, like I said, if we had taken that offer, we would end up in a place that is not as good as this one. So, things still happen for a reason and in the end, they all fall in place.

Rodrigo: But then once we've got the contract on this house, and you're already working behind the scenes because of the other deals that fell through, but after then we said to him we do not need, this contract is not attached to the sale of our place as it's sold it's got a contract. It was just depending on the bank finance. And he said, alright. But then, I think, on the day the seller for our place was about to sign the contract, we had some things with the local council (planning issues on our home), which we're going through and it was just time, and which it did in the end, everything got approved by the council, things we had pending. The guy pulled out a contract and we had a contract here, and the contract wasn't attached to the sale of our house. And then, it's when everyone went to a massive stress level.

Louise: Yes, that was really stressful. But we still had a finance clause in your place, so that was something, we were lucky because we had actually negotiated to include a finance clause for 21 days. And the vendors agreed on the purchase so that was perfect because we had an opportunity then to still get you out if you needed to.

Rodrigo: Yes, but also when we needed the money from our place to be sold so we could settle on the new house.

Louise: To finish settlement... yes.

Rodrigo: And then once their contract fell through, you're working on a different angle - a bridging contract, which did not end up working because no one wants to lend their money to us because we've been self-employed, and we have proved the business has been driving for the past 10 years. It only has been growing, growing, growing, and in the past two years has nearly doubled, and they still don't want to look at you because you are high risk. I don't know how I am a high risk compared to someone that just got a normal job. You can lose your job tomorrow.

Louise: You did really well.

Rodrigo: And yes, a business can go down but, you know, at least for business they don't just go down overnight. Let's put it that way, not like if you lose your job, that's it, you're done. But anyway, the bridging contract didn't work as well. We couldn't get any deals, and then we were panicking again. The time is getting closer and closer. And then we didn't have anyone else for our place. And I think a week before we're getting close to the time for settlement - two weeks actually, we had a couple looking at our place. They flew, they're both from South Australia to Queensland. They came out of the plane and our place is the first place they went ahead and looked and they fell in love, but they didn't want to put an offer in. They were like, let's have a look around and so on and on. They went ahead and looked at another place, which went on auction, they put an offer before the auction. They didn't want to hear about it. So the place passed on the auction, and they came back to us. And then they put an offer and say, I will take your place and close the deal. I think it was three days before...

Louise: Two weeks!

Rodrigo: And then in those two weeks, you had to change the whole strategy again. While we're still falling short, which then we brought in Kerri-Ann's parents' property, as a guarantor to finish the deal, and we did it. I remember you called us on the last day at, I don't know, it was like four o'clock on a Wednesday.

Louise: Oh, that's right!

Rodrigo: And you said we've got the money, and then you said, alright, so we got the money on the last day of the 21 days I think it was.

Louise: Yes it was. 21 days and we had to settle 7 days

Rodrigo: Yes, we had to settle in two weeks, wasn't it, yes. And then there's another drama they started, we said yes sweet we're good now and then, now, we still got to sign all the paperwork and the banks were taking 12 days, I think.

Louise: But we got it done.

Rodrigo: So we got to sign again. And then, yeah, you turn up out of the blue.

Louise: That was funny. It was pure luck, I was in QLD then.

Rodrigo: Yeah, I know, right! And luckily there were no border restrictions back then. And then we signed it, and Kerri-Ann's parents signed it.

Louise: Yeah, we were lucky. Very lucky.

Rodrigo: Yes, we did. And then we got the documents delivered to the banks as well straight in Brisbane. And then we were waiting.

Louise: That really helped us.

Rodrigo: Yes, and then the day before the deal was finished, we had a problem with one of the banks because on our side, we had to deal with three different banks. So we had Commonwealth, which is the current one holding all those loans. Then we had some of our investment attached to Westpac and ANZ, and to do one bank alone is tricky. Three banks was like a massive, massive job.

Rodrigo: And I remember you're calling me on the day before that everyone was supposed to come online to do all the deals of money going back and forth. Also, my place was settling on the same day, so my place settled in the morning, this place was supposed to settle in the next half an hour. And then, this is on the day but on the day before, I remember them calling me saying, I think it was ANZ, they didn't want to, they were saying they didn't have enough time and you said, yes we did. Maybe you need to give them a call to put a little bit of pressure. And then I called them and I was saying, you know, we've solved the last pieces of the puzzle, and it's going to crumble, the tower's going to crumble, and then they came through. Then on the day of settlement, we said yes, sweet, you know, after all these Mexican soap operas, it sounds like one of those, with a happy ending though!

Louise: Very sorry about the noise here.

Rodrigo: It's alright, it doesn't bother me.

Louise: I'm embarrassed for my viewers that are listening in because they might think, God, what is this, but it's the neighbors. But remember when the vendors came back to you and they said, oh we've got a cash offer that's 70,000 or more, higher than what you'd offer.

Rodrigo: Yes, that put a pressure too because we had to pay, because we had to settle and pay some money before the final settlement. And they said, yes if this falls through, there was another 70 or $100,000 on what we offered, so they already had another buyer. So like I said, this area here is very hot, people come in and cut everyone's throat right left center, you know, they don't care. But just like the first one, the guy did a handshake with his neighbor, even before our contract was finished. And I just found out through a friend, he was going around in the pub with people that I know, saying that we are trying to chew more than we could, want to live the big life and all these and that. So much for a nice guy, yeah. A friend of mine, his dad was having a beer with him and he said to his dad, yeah, those guys you know they're trying to buy my place...

Louise: Oh, that's so funny when you ended up buying a lot higher.

Rodrigo: Yes, exactly, and our place is much better than what he had. But anyway, I guess, yeah, we did the right thing.

Louise: You did very well in the end and you had instant equity because you knew someone was gonna pay you more than you bought it for, it's really straightaway.

Rodrigo: That's right.

Louise: You instantly made a hundred grand. That's a pretty good deal, I'd say.

Rodrigo: Yes, it was, and then on moving day, we said, yes, sweet, so our settlement went through fine with our house.

Then this settlement with this house once again - their lawyers were blaming my lawyer and my lawyer said, no, no, no.

Louise: We knew it wasn't our side.

Rodrigo: Yeah it was their fault, so we didn't settle finally until like 4:30 In the afternoon

Louise: But we were ready!

Rodrigo: Yeah, we were ready. We were ready the whole day. You were bloody drinking Margarita at 11 o'clock and I was moving, stressing, and didn't get to sit down til, I don't know, midnight.

Louise: Oh, poor thing! It is. It's a stressful thing.

Rodrigo: Yes, it was and it's stressful, buying and selling at the same time. I'll never do it again.

Louise: Well, I usually advise people to sell first and then buy which is what I did say.

Rodrigo: Yeah, me too. But we do not have the time, that was the problem.

Louise: Yes, you were keen, Kerri-Ann is very keen. She was out buying before you'd had a chance to sell.

Rodrigo: That's right because the opportunities here will come and go in like, so quick. But we did it, we did it and it can be done.

Louise: Yes, it can be done with the right team. Well, we had a good team, we ended up working really well.

Rodrigo: Yes, you did. And you just got to be on the ball and talk to people that know.

Louise: That's good. Well, I was very glad when you were ringing me in a flap about the offer, and they were saying no, you've got to go up a hundred grand and I said, no, only giving them an extra 50. And you took my

advice and they still signed so I was glad You saved 50 grand on the phone call.

Rodrigo: That's right. We did. And we were surprised the house is still available because like I said, it's a house that we had to do nothing. It's just moving in and start living. And we don't know what the sellers are wanting as well, you know, they might say, no, I'll wait a little bit more because they could say now we don't want that and could have passed on our offer. And they didn't. And from then on we were just everyday stressing and calling you, Kerri-Ann every five minutes calling you and you probably think, oh, Kerri-Ann, sorry I'm busy.

Louise: I never did.No I don't do that.

Rodrigo: No you didn't, no. You always took our calls.

Louise: I always understand when people are stressed, you need to talk to someone.

Rodrigo: Yes, I know. But you always keep calm and cool and Kerri-Ann can be quite -- I won't say special but a handful.

Louise: She's your wife and we all appreciate it.

Rodrigo: Yes. Now, we've got through and the kids as well. The kids are like, they start losing faith as well after losing three deals, plus a deal also fell in our house. But it did show them that with persistence and honesty and, you know, do the right thing and you get what you want, things will come around.

Louise: That's a beautiful line! With persistence, that's awesome! You do get what you want, being honest and true and going for it.

Rodrigo: Even though you always find obstacles but in the end, you go over it and it makes you stronger, isn't it?

Louise: Yes, that's so true. So, great, well it's been a pleasure to help you and I'm glad to share your wonderful story of success. We can do, I mean, no one really wants to put themselves through a double refi - a sale and a purchase all at the same time but it can be done if we have to.

Rodrigo: It can be done, yes. In the end, it was like you said there was a buying, selling and refinancing, and changing investments. So I think you have all the cases you want. And a guarantor as well on top.

Louise: Let alone a bridging, so, yes! A big deal.

Rodrigo: So all these case studies in one.

Louise: Yeah, you did it all for me, thanks so much, Rodrigo.

Rodrigo: That's alright.

Louise: Well, I'm so glad you got what you wanted and you're very happy in your new home. That's the important thing. It looks beautiful.

Rodrigo: Yes, we are. Thank you. Thanks to you and your team as well.

Louise: Oh, my pleasure. We love looking after you so thank you very much. And anyone who wants any help please feel free to call us and we're happy to share and give some advice on making offers and getting through these big deals because it can be, that's just what you need sometimes someone to talk to.

Rodrigo: That's it, will do.

Louise: Thank you so much. Take care. Thank you very much for your time.

Rodrigo: Okay.