

DomaCom Ltd

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DomaCom acquires first property for new Rent-to-Own product

DomaCom Ltd (ASX:DCL) has acquired the first property for its new, innovative Rent-to-Own product in the Melbourne suburb of Moonee Ponds.

The one-bedroom apartment in the Mason Square development was acquired for \$447,000 with the property manager now seeking a suitable tenant.

The Rent-to-Own model spans the investment and tenant gap, enabling more tenants to escape the rental cycle by participating in the equity model at no additional cost to their rent.

Potential to change rent outlook

Chief executive officer Arthur Naoumidis said: "Rent-to-Own is a product of our time with the potential to change the outlook for people who may have thought they would be renters for life.

"The developer discount does not come at an additional cost to the developer as it simply shifts the distribution margin in favour of the purchasers and tenants.

"On a wholesale basis, this model can put many more people into the homeownership category."

Unitised investment structure

Rent-to-Own enables investors and tenants to leverage off DomaCom's unique fractional investment technology, a modern form of syndication that shares ownership including income and capital growth in residential properties through a unitised managed investment scheme structure.

Tenants pay rent on a commercial basis and after costs and interest on any loans, the rent is shared between the unit holders in proportion to their investment.

Any increase in capital value over time is also shared.

Whilst Rent-to-Own tenants receive 1% equity per annum for a maximum of five years they can also acquire additional equity over time from investors to increase their share in a property as and when they can afford to do so.

Apart from the initial developer discount which has been negotiated by DomaCom with the assistance of property advisory group Third Garden, investors in this model will have tenants who are part-owners.

As tenants become part-owner and occupiers, DomaCom expects that this lease incentive will lessen any tenancy risk, an important factor for investors during the COVID-19 pandemic.

Price: 0.094

Market Cap: \$26.17 m

1 Year Share Price Graph



Share Information

Code: DCL

Listing: ASX

52 week High Low
0.129163 0.018

Sector: Software & services

Website: domacom.com.au

Company Synopsis:

DomaCom Australia Ltd (ASX:DCL) is listed on the Australian Securities Exchange.

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