

BANKING ON YOUR SILENCE

IT'S YOUR MONEY THE BANKS ARE MAKING





Chapter 1:

UNMASKING THE BANK:

A Deep Dive into Australia's Mortgage Market

In the game of property investment, understanding how banks operate can mean the difference between a profitable venture and a costly gamble. Australia's financial landscape, dominated by four major banks, has established a system where lenders control the lion's share of the home mortgage market. But beneath the surface of attractive interest rates and mortgage incentives lies a deeper story—one that impacts every homeowner.

Banks have a vested interest in real estate due to the underlying security it provides. When they lend money for home purchases, they usually lend up to 90% of the property's value. Borrowers are then obliged to pay mortgage insurance, an additional cost which acts as a safety net for banks in case of loan defaults. As property values inevitably increase over time, the bank's risk position improves while their interest rates remain the same—creating a risk-reward imbalance that disproportionately benefits the banks.

In addition, banks utilise these mortgages as assets, borrowing against them at cheaper rates as the risk decreases due to the ever-rising property market. It's a strategic manoeuvre that benefits banks but leaves homeowners with unrealised potential.



For the vast majority of homeowners, this system has remained an enigma. There's a perception that banks are the primary benefactors of the property market, but in reality, homeowners possess the power. Their home equity is a treasure trove of untapped potential that banks have learned to leverage to their advantage.

However, equity does not equate to wealth unless it is actively engaged. And this is where a vast portion of Australia's homeowners fall short. There is a vast amount of dormant equity sitting in the Australian housing market, languishing in a state of potential rather than kinetic energy. This underutilised equity is not just a missed opportunity for homeowners, but a significant boon to the banks.





By acting responsibly, maintaining steady employment, and timely payment of bills, homeowners accumulate home equity—a valuable asset that is desired by lenders. By recognising the latent power within this equity and learning how to utilise it efficiently, homeowners can wrestle back control and make the system work in their favour.

This first chapter has laid the groundwork for understanding how the mortgage system operates. The next chapters will delve further into the cost implications for homeowners who do not utilise their equity effectively, and contrast this with the benefits reaped by those who execute a strategy like the Equity Rocket.



Remember, the real power in the property market doesn't lie solely with the banks—it lies with the informed homeowner. It's time to turn the tables, utilise home equity, and launch your own wealth creation journey.





Chapter 2:

THE HIGH COST OF DORMANCY:

Unearthing the Hidden Wealth in Home Equity

In the Australian property market, time waits for no one. As each year passes, your home's value could be increasing, often resulting in significant equity. This potential wealth, however, remains dormant if not strategically deployed. This chapter unveils the cost implications of unutilised home equity and sets the stage for understanding why leveraging it is paramount to wealth creation.

Home equity is the difference between the current value of your home and the amount you owe on your mortgage. As the value of your property increases and your mortgage decreases over time, your equity naturally grows. It's akin to a savings account that accumulates without the need for deposits. The predicament, though, lies in the fact that a large portion of Australian homeowners are unaware of or ill-equipped to unlock this potential wealth.

The cost of dormant equity is twofold. First, it's a missed opportunity to invest and create wealth. Second, the purchasing power of your equity is likely eroding due to inflation. If left idle, your equity is essentially depreciating in real terms.



To illustrate this, imagine two homeowners - Alice and Bob. Both have \$200,000 in home equity. Alice decides to invest her equity into a new property, while Bob lets his equity sit dormant in his home. Fast forward ten years, and Alice has a substantial profit from her investment property, while Bob's equity has remained relatively static, depreciating in real terms due to inflation.

This scenario underscores the hidden cost of not utilizing your equity. It's a price paid not in dollars spent, but in opportunities missed and wealth potential unfulfilled.





But what if there was a way to not only put your home equity to work but also do so in a manner that optimises your return on investment? This is where the concept of strategic investing comes into play.

In the following chapters, we will delve into the concept of the Equity Rocket strategy - a blueprint that shows homeowners how to attach their income and responsible behaviour to the fact that banks are willing and eager to lend to them. This strategy capitalises on the very system banks have created, providing homeowners with a clear path to unlocking their equity's potential and transforming dormant wealth into an active wealth creation journey.



It's time to awaken the sleeping giant within your home and turn the tides in your favour. Let's begin the journey of transforming your home from a dormant asset into a potent wealth creation tool.





Chapter 3:

YOUR KEY TO WEALTH:

Harnessing the Power of the Equity Rocket Strategy

In the heart of every financially prudent homeowner lies a question, 'How do I make my assets work harder for me?' The answer to this question lies within the Equity Rocket Strategy. This innovative approach helps homeowners realise the untapped potential in their home equity and turn it into a wealth creation engine. It's about becoming an active participant in your financial journey and leveraging the system to your advantage.

The Equity Rocket Strategy is based on a simple premise: If you have a stable income and a proven record of being financially responsible, banks are ready to lend to you. Banks' lending policies, coupled with the growing value of the Australian property market, provide an opportunity to use your home equity to finance investment properties.

How does this work? As an example, let's revisit Alice and Bob. Alice took her \$50,000 equity and using the Equity Rocket Strategy.

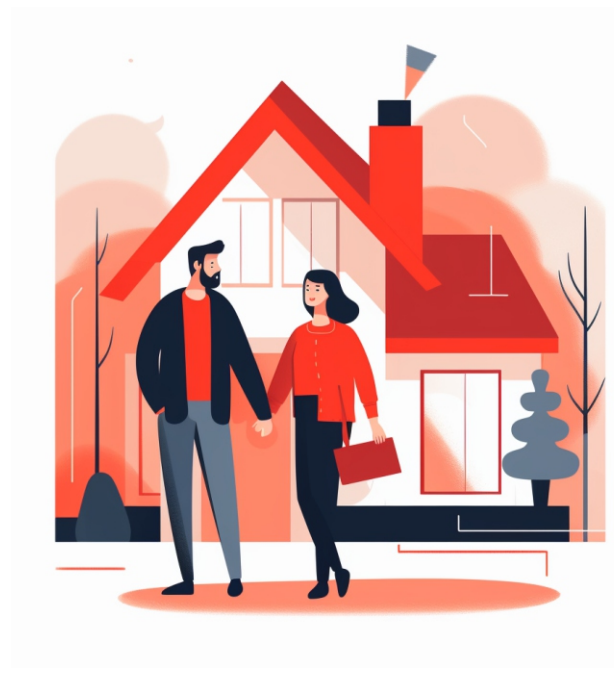
Bob, on the other hand, still had his \$50,000 equity sitting dormant. While Bob's home value might have appreciated over time, Alice's wealth grew significantly more due to the increased value of her investment property. More so, Alice also benefitted from rental income, tax advantages, and additional equity growth in her new property.



After 10 years Alice had made **\$3,600,000** and Bob had made **\$100,000** by leaving his equity dormant.

Don't be a Bob.

This comparison shows the power of the Equity Rocket Strategy. It's not just about buying another property; it's about strategic investment. The strategy considers property growth rates, rental yields, tax advantages, and most importantly, your financial capabilities. It's a holistic approach, ensuring you don't overstretch your finances while maximizing your wealth growth potential.





However, embarking on this journey requires understanding and navigating the banking system, tax implications, and property market dynamics. This might sound daunting, but the Oroshiuri System provides the guidance and support you need to harness the power of this strategy.

Implementing the Equity Rocket Strategy is a proactive step towards wealth creation. It's about acknowledging the power within your hands (or, more accurately, within your home) and using it to propel your financial wellbeing. With the Equity Rocket Strategy, you're not just a homeowner; you're an investor, a strategist, and an architect of your financial future.





The Oroshiuri Systems Analysts are a collaborative team of highly skilled professionals specializing in artificial intelligence, mathematics, and actuarial studies. With a wealth of experience in their respective fields, the analysts combine their expertise to devise and evaluate comprehensive real estate investment theories, focusing on the transformative potential of AI in this sector.

The team applies their extensive training to harness the power of AI, providing deep insights and advanced understanding of the complexities inherent in real estate investments. Their collective knowledge, coupled with sophisticated AI tools, allows them to expose and simplify the intricacies of the banking sector, making it more accessible to everyday families.

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