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# DomaCom lands \$50m SMSF deal

Larry Schlesinger

Crowdfunder DomaCom has secured a \$50 million line of credit from non-bank lender La Trobe Financial to help self-managed super fund investors buy into its real estate funds.

The ASX-listed funds management minnow offers fractional investment in residential developments, commercial property, land, solar and wind farms and residential mortgages, with returns of 4 to 10 per cent.

It is one of several fractional investment platforms that have sprung up in recent years targeting new-age property investors, especially SMSFs, seeking a more liquid real estate investment – units in a DomaCom funds and others such as BrickX, Kohab and CoVesta can be traded online like traditional equities, provided there is a willing buyer.

The \$50 million La Trobe facility will provide up to 60 per cent leverage for investors and SMSFs at an interest rate of 5.99 per cent.

The funding will allow DomaCom to secure another \$100 million of property to almost triple its funds under management to \$150 million.

“This is a significant development for the Australian property investment

market as financial advisers can now leverage their clients’ investment properties at a click of a button,” DomaCom chief executive Arthur Naoumidis said.

“We’re delighted to have the final piece of the jigsaw (debt) in place for DomaCom – we have bought over 50 properties to date where almost all are without debt and we are excited to be able to offer advisers ready access to competitive SMSF lending.”

La Trobe Financial chief investment officer Chris Andrews said SMSFs had a bias towards asset classes with low volatility and assets that have longer-term investment horizons.

“To this end, property is eminently recognisable and understandable for SMSF investors. Currently there is only \$42.85 billion of limited recourse borrowings (5.9 per cent of total SMSF assets),” Mr Andrews said.

The securing of the \$50 million follows DomaCom raising \$2.95 million in December. DomaCom floated at 75¢ in November 2016. Shares are now worth just 12.5¢