

# PROPERTY PULSE

HURDLES MOST NEVER  
OVERCOME





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## INTRODUCTION

‘Portfolio’ is a popular term used in property investment. It indicates the transition from property investment to it becoming a profitable business. It also shows that the investor holds more than a single property.

Generally, investors prefer to use this word to define their property investment activities. However, numerous investors face a tough time before achieving their objectives. Among all the issues, getting access to vital funds for further investment is considered the toughest.



## OBJECTIVE

To provide practical suggestions to help you progress in property investment. Some of the issues this will unfold include:

- Gauging your capability to proceed towards a portfolio
- Sourcing the appropriate properties
- Improving your opportunities of getting access to finance
- Taking your property investment business to the next level.





## GAUGING YOUR PROMPTNESS.

Expansion towards a multi-property portfolio is considered as something essential by many investors. However, it is not so. You need to ask yourself questions before making the next move, as it will save you from building a portfolio just because you should!

The foremost thing to ask yourself is whether you are prepared for it. Of course, every new property you add to your portfolio will demand your time and resources. And if you continue to add properties, you may have to leave your job or other interests to manage them. If you are not ready to make sure of a change, you must not move forward until you are fully prepared.

You must also ask yourself if you have the right team. You are certainly mistaken if you think you can manage it by yourself. To make a good portfolio, you require reliable tax, legal, marketing, and mortgage advice, which calls for a team of experts in all these fields. Besides, it is also important to find out if you are confident enough to manage the requirements of an increased portfolio. There is much difference between managing a single property and taking care of multiple properties. So it would help if you had a proper plan before going in this direction.



## MAKE A SOLID CASE FOR YOUR PORTFOLIO EXPANSION

Investors and lenders are not impressed by the idea that you want to expand your portfolio since everyone else is. Rather, they would like a complete plan, a budget, and an idea of projected profit.

## APPRAISE YOUR EXISTING PROPERTIES.

In case you already have more than a simple property, examining them to ensure they are pulling their weight can be great. It may help you do away with useful ones since having underperforming properties wastes time and money.

## INCREASE YOUR FLOW OF CASH.

When you are looking for funds, keeping your expenses low and income up always helps. By maximizing your revenue, you will get a chance to give the bank additional work when they assess your ability to pay back.

## ALTER THE TERMS AND CONDITIONS OF YOUR CURRENT LOANS

Looking for ways to lessen the mortgage payments on your existing properties will help to free up some resources that could help in finance expansion. For example, increasing the repayment period on your loan from 25 to 30 years will require you to repay it over a longer time, but it will also mean you will have more cash in hand.

## RELIEF OF SOME OF THE EQUITY IN YOUR CURRENT PROPERTY.

To build a solid portfolio, re-mortgaging can be a good option. It will help you fund additional property purchases.

## LOOK FOR THE ASSISTANCE OF A ‘TAXMAN.

The Australian tax system gives investors a PAYG Tax Variation, which entitles them to have their tax allowances paid in advance. As a result, you can increase your cash flow to a considerable extent, allowing you to service a new loan.





## HOW TO FIND SUITABLE PROPERTY

Although you can follow the same trends of investing in properties in the same categories and areas as you did, you may even miss out on some great opportunities by simply following past practices. So the right way to go is to explore all your options.

While finding the right property, keeping in view the following pointers can be useful:

1. Choosing a property in a new area may help you remain safe from negative local environments.
2. By expanding your business into different types of property, you may get a chance to alleviate your portfolio; it will save you from the ups and downs in demand curves for various properties.



## LOOKING FOR FINANCE FOR EXPANSION.

One of the biggest challenges of expanding your portfolio is finding investors. In today's economic conditions, finding investors is becoming even more difficult. But it does imply that there is no way you can have the funds to expand your portfolio. All it means is that you need to put in additional effort and be smarter to make it possible.

The most important thing to remember is that most banks consider your current circumstances before lending you the funds. Before a bank may lend you a loan, it may consider the following factors:

- Will you be able to repay the borrowed amount?
- Do you have any security, such as another property or asset?
- Are you in reliable worker?
- How did you manage your prior loans?

To be able to maximize your chances of getting investment, follow these suggestions:

## LOOKING FOR FINANCE FOR EXPANSION.

Banks are not the only resource to get a loan for expanding your portfolio. Many other lenders may be willing to invest or lend you money on better terms. A mortgage advisor can guide you about all the alternatives and opt for the best option.

## GET ON TOP OF YOUR INVESTMENTS' EXISTING STATE.

You may have to provide an answer to various questions before you can get some money. So the best thing to do is to complete your homework. Preparing all your answers can help you in this process. If you have all the vital signs at your fingertips, you can convince the lender about the seriousness of your business in a better way.





## EXPANDING YOUR PORTFOLIO.

Even though the steps mentioned in the previous chapter are useful, they cannot guarantee that you will surely get funding. However, they will surely maximize your chances of investment to a considerable extent.

After getting a new property, it is best to enter into a time of consolidation before moving ahead with the idea of further expansion. You need to integrate the new property into your portfolio using powerful marketing and management strategies during this time. After you think you have done the done perfectly, you can buy another property.

While you are on your way to expansion, remember to keep in mind the following factors, as they are critical for growing a prosperous property investment business:

## EARNINGS & PERFORMANCE.

The higher your earnings from property investment and pay, the more likely you will get loans.

How much you make through your property's rental is important. Banks will not mind lending you a loan if your portfolio continues to fund itself through regular income.

## EQUITY.

The more you have in a property, the more your existing assets can be used as security for later purchases.

## PERSONAL QUALITIES

If you can impress your bank with your character, you may improve your chances of getting a loan. The bank may lend you if it is convinced that your spending is well controlled, you have a sound character, and you are keen to sacrifice to turn your dream into a reality.



## SMART DECISIONS & LONG-TERM PLANNING.

After establishing your portfolio, you need to make sure that you make intelligent decisions when it comes to investing. In other words, you must carefully evaluate every property you might be interested in and consider all important factors, such as projected yield and long-term capital growth.

You need to be patient and focused on long-term planning to have a thriving business in property investment. You will not get wealthy overnight and should not dream about it. So make sure you design your strategies and systems considering future growth.

## GETTING ADVICE & SEEK HELP FROM EXPERTS

This is one of the essential factors, and you need to pay attention to this. If only you had a team, you could be saved from making decisions that can devastate your business. Those with a team of experts can cash opportunities better and remain safe from the pitfalls.

Your workload will also increase as your portfolio expands, making it impossible to manage everything independently. Therefore, you will need the help of someone who can do things for you that you cannot handle individually. Though many investors are uncomfortable with this idea, it can be a great option.

You are hiring a person to help you can do much good for your business. It will save you time and give you more time to focus on the most important things and set your priorities right. So it would be best if you kept an eye on the smooth functioning of your business to ensure that holding on to the idea of doing everything on your own will not work.

It will affect the business's health and act as a barrier to growth.



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### Conclusion

Even though we can say a lot more about property investment and a profitable portfolio, we can conclude that setting the basics right is the best way to expand your portfolio. It is the only way to turn your idea of a perfect business into a reality you can experience. Way to go!

You should remember that you can save money if the considerations are considered. You must not miss the opportunity to secure maximum by a minimum effort.

Property investments can be immensely profitable and an excellent way to create wealth. However, there are some associated risks. Predicting profits and guessing taxation is highly complicated, and it requires expertise when you are planning for negatively geared investments

It would be best if you relied on a professional financial advisor who can understand your financial position and guide you according to them to maximize your profits and make a successful wealth-generating plan. You will make progress on your road to financial independence with the support of the right advisor.



### **DISCLAIMER ON OUR UNIQUE SKILLS.**

Our team members are specialist investment planners in property, and what we do is different to that of a financial planner. We are licenced to deal in real estate, not financial planning.

Financial planners and accountants often buy into us to assist their clients in starting a successful property portfolio. We have no specialist skills in family succession, shares, or testaments. We do not hold an Australian Financial Services or Credit Licence. Until we learn more about your uniqueness, the opinions published here can only be general.

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The data in the following graphs and tables are from third-party authoritative sources, all listed at the rear of this document.

These use historical data. Of course, past performance is not necessarily indicative of near- future results. We use this data to highlight long-term trends.

### **DISCLAIMER ON OUR UNIQUE SKILLS.**

We believe that any financial commitment is a big step in your journey, so we strongly recommend obtaining independent advice before making financial decisions arising from this document.

### **DISCLAIMER ON OUR UNIQUE SKILLS.**

The law compels us to state that we make no warranty as to the accuracy, completeness, or reliability of the information, including the tools used to compute the information, nor do we accept any liability and responsibility arising in any way from omissions or errors contained in this document.

All arguments herein are made in good faith, and all data has been obtained in good faith from the most accurate sources we could find, much from government agencies

### **DISCLAIMER ON OUR UNIQUE SKILLS.**

Feel free to contact us to set up an initial complimentary meeting and find out how we can help you on your quest to develop your property portfolio that can change your future.

The steps include:

Step one. Relationship.

Step two. Knowing the numbers.

Step three. The choices.

Step four. Recommendations.

Step five. Plan into action.

Step six. Working together as a team.

**CONTACT US TO START YOUR RELATIONSHIP WITH OUR LICENSED TEAM MEMBERS**