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POINT STRATEGY FOR PERSONALISING YOUR INVESTMENT PROPERTY PURCHASE

1 STRATEGY FOCUS

Capital growth, Cash-flow, Renovation and Flip, Tax benefits? There are dozens of different strategies that investors can implement and with this in mind you need to choose the correct strategy for your personal situation and long term outcome.

2 LOCATION

Capital city or regional? There are over 12,000 towns and suburbs around Australia, so which one are you going to purchase your next property in depends on your strategy and also what you currently have in your property portfolio.

3 BUYING ENTITY

Personal name, Trust or Company? Do I purchase my property in my own name, my partners name, a company or some type of trust? This will depend on certain factors including income levels, asset protection priority plus purchasing and selling costs.

4 RENTAL YIELD

What do you need based on your current lifestyle and property portfolio? Capital city gross rental yields can vary from 2% to 5% traditionally. Regional towns are usually higher than this meaning your holding costs before tax deductions are far less. Linking this back up to your strategy and present cash-flow is critical before deciding what you need.

5 TYPE

Existing house, unit or apartment, brand new build, Duplex, Small development, Off the Plan apartment? Which type of property do I need in my portfolio at any one time relates to my strategy focus but also the demand for a certain product within a town or city? For example there may be a shortage of 3 bedroom homes in a regional centre, therefore placing high demand for renting and resale.

6 LOAN TO VALUE RATIO (LVR)

60%, 70%, 80% or 90%? What is my best loan to value ratio (LVR) for a particular purchase? It depends on my current risk profile but also what banks will allow for the location and type of property I am buying plus the entity which I am purchasing it in.

7 PURCHASE PRICE

\$100K – \$1 million How much can I purchase up to according to the lenders of money is an important aspect here but also relating this to my long term wealth plan along with buying good value property in a particular location. eg. Am I buying at above median price for that suburb or town? When do I want to buy my own home to live in also impacts this?

8 CLASS OF PROPERTY

A = Blue Chip, B = Long term buy and hold or C = Flip property. This is critical to all other 7 points mentioned. Do I want my property to be a short term or long term investment? How many years do I intend working for? How long do I intend investing for and the type of location also determines my class of property I purchase.

BOOK YOUR FREE 90 MIN SESSION TODAY.

Call **0438 396478** or email **john@solverewealth.com.au**