

CHANGE OF PERSONAL DETAILS

With the rise of cybercrime and online scams, this is a timely reminder to let you know that if you want to change your bank or contact details, we will require a signed letter from all the registered property owners so that we can keep a copy in our files. We will also personally telephone you to confirm your request. This company policy has been put in place to protect your best interests, as there have been online scams of emails sent to companies (that appear to come from the landlord) requesting bank details to be changed, and then the funds are transferred to fraudulent bank accounts.

TOP 10 NEW YEAR GOALS IS ONE OF THEM YOURS?

Make 2024 the year that you achieve all your goals. Be clear and specific in what you want to achieve, write them down and stick them on the fridge or mirror to remind you daily. Visualise your goals, tell a friend, eliminate bad habits, engage a coach to keep you accountable, be positive, don't give up, take little steps, and celebrate achievements.

1. Diet or eat healthier
2. Exercise more
3. Lose weight
4. Save more and spend less
5. Learn a new skill or hobby
6. Quit smoking
7. Read more
8. Find another job
9. Drink less alcohol
10. Spend more time with family



GROWING YOUR INVESTMENT PORTFOLIO WITH EQUITY \$\$\$

Equity, in simple terms, is the difference between the current value of your home or investment property and how much you owe on it.

For example, if your property is worth \$550,000 in the current market and you owe \$210,000, your equity is \$340,000.

The great thing is you can use this equity as security with the banks to purchase additional investment properties.

When using equity to purchase an investment property, banks will generally lend you 80% (or more if you take our Lenders Mortgage Insurance) of your property's value less what you owe.

So, based on the above example, how much useable equity do you have?

\$550,000 Value of your property

\$440,000 Value of your property @ 80%

\$210,000 Less what you owe 'your mortgage'.

This means your usable equity to grow your investment portfolio would be **\$230,000**, which is the value of your property @ 80%, less what you owe.

The next question is, how much can you borrow?

This is where you can apply the 'Rule of Four' by multiplying your useable equity (\$230,000) by four to calculate your maximum price to purchase another investment property or multiple properties up to the value of \$920,000, and you can build all the purchase costs into the transaction.

Why do we use the 'Rule of Four'?

If you purchase a property or multiple properties up to \$920,000 with your usable equity, the bank will lend you 80% to buy the additional property/s, being \$736,000. This leaves a gap of \$184,000 for the deposit and \$46,000 for costs, which will approximately equal your usable equity of \$230,000.