

## What can you expect from your 1<sup>st</sup> Strategy Session?

### **By the end of your session you'll have identified:**

In this strategy session, we will discuss where you are right now, where you want to be longer-term, and your next action steps.

You'll walk away with a clear plan in place and the confidence you need to invest in your next property.

### **Disclaimer**

By participating in this Workshop, you acknowledge and agree that:

- Any information provided by Pumped on Property ('POP') is provided as general information and for general information purposes only;
- POP have not taken your personal and financial circumstances into account when providing information;
- POP shall not and have not provided legal, financial or taxation advice to you;
- The information provided must be verified by you prior to you acting or relying on the information by an independent professional advisor including a legal, financial, taxation advisor and your accountant taking into account your individual circumstances;
- The information may not be suitable or applicable to your individual
- circumstances; and
- POP does not hold an Australian Financial Services Licence and is not authorised to provide financial services to you, and POP has not provided financial services to you.

## 1. Where are you at right now?

Income and employment		
	Client 1	Client 2
Annual salary		
Assets		
Savings		
Super		
Shares		
Liabilities		
Credit cards		
Car loans		
Personal loans		

Property details				
Property	1	2	3	4
State				
Purchase price				
Current value (A)				
Current debt (B)				
Current equity (C) (A – B = C)				
Current weekly rent				

## 2. Where do you want to be?

12 months from now?

- 
- 
- 

Longer term?

- 
- 
-

### 3. What's been holding you back from achieving your property investment goals until now?

Please identify which options are most important to you.	
I don't have a mentor or coach	
I'm worried about making a mistake	
I don't know what to buy	
I don't have a plan	
I have limited time	
I'm feeling overwhelmed	
I have a fear of missing out (FOMO)	
I have analysis paralysis or information overload	
I don't have a team of advisors	
I don't have a community of like-minded people	
I'm not sure if it's a good time to buy a property	
I'm not sure if the banks will lend me money	

Is there anything else that's been holding you back?

- 
- 
-

## 4. What are your property investment goals for your next purchase?

Please identify which one of the two options, in each row below, are most important to you.	
Medium term hold	Long term hold
	Capital growth potential longer term
	Good cash flow
Regional	Metro
Units / Townhouses	Houses
Un-renovated	Tenant ready
Brand new property	Existing property
I have a team of advisors	I would like to be introduced to a team of advisors
I'm looking to buy my next property on my own	I'm looking for the right partner to help find my next investment property
	I'm looking to learn as much as possible and find the right mentor and coach

Is there anything else that's important to you?

- 
- 
-

## Our approach to property investing is simple...



**Our approach to property investing is simple, we believe smart investors buy...**

- Houses
- In quality metro markets (Brisbane, Sydney, Melbourne) or major regional markets (Sunshine Coast, Gold Coast, Wollongong, Newcastle)
- Close to the city or the beach

They also:

- Buy quality, tenant ready property, with the potential for long term growth
- Build cash flow neutral, or positively geared property portfolios
- Understand when to buy and when to sell (timing)

After buying over \$250,000,000 worth of investment property in NSW and QLD we have developed a process to shortlist properties each week.

One of the major lessons we've learnt after reviewing the Sydney, Melbourne and Brisbane markets over the last 50 years is what not to buy.

As a business, we try and avoid:

- Houses located on main roads
- Properties affected by flooding
- Houses on low-quality streets
- Houses directly next to housing commission
- Houses backing onto, opposite or too close to; cemeteries, schools, shops, industrial and train lines / train stations

## Case study – Tess & Lee Bell



Tess and Lee live in Burleigh on the Gold Coast with their two beautiful children.

They have a good combined income, with Lee working as a project manager. They also owned their own home when they engaged us as their buyer's agent.

Tess was looking to spend more time with Lee and her children. She was also looking to quit her job and start her own online business.

Both Tess and Lee were not sure if property investing was for them, they also had concerns about the Australian property market. They didn't have a clear plan for their future, which was making it difficult to design an investment strategy.

Since starting with us they have bought several high-quality properties, with long term potential for capital growth and positive cash flow. They now have a plan to achieve financial freedom from their properties over the next 15 years.

**These are two of the properties we bought for Tess and Lee:**



- 3 bedroom, 1 bathroom home
- Walking distance to the beach in Brisbane
- 600m<sup>2</sup> block



- 3 bedroom, 1 bathroom home
- Suburb within 20km of Brisbane
- 655m<sup>2</sup> block

## Where could you be if you started 20 years ago?

### Example 1 – John

John bought 1 property 20 years ago for \$400,000.

He did nothing but hold the property for the last 20 years.

His property increased in value by an average of 5% p.a. for the last 20 years.

**Today John’s property is worth \$1,060,000.**

Initial value	400000
Number of periods	20
Compound growth rate	5%
<b>Future compounded value</b>	<b>1061319.082058</b>

### Example 2 – Sue

Sue bought 3 properties 20 years ago worth a total of \$1,000,000.

She did nothing but hold the properties for the last 20 years.

Her properties increased in value by an average of 6% p.a. for the last 20 years.

**Today Sue’s properties are worth \$3,207,000.**

Initial value	1000000
Number of periods	20
Compound growth rate	6%
<b>Future compounded value</b>	<b>3207135.472213</b>

## Case study – Berwin



Berwin lives in Byron Bay.

He has been doing FIFO work for the last 10 years, as well as traveling the world. He had never bought a property before he engaged us as his buyer's agent, but he had been thinking about it for years.

Berwin was looking to move back to Byron, but he wanted to set up his financial future before moving home. He knew when he moved home his income would drop.

Berwin didn't really have anyone in his life who he could speak to about this stuff. He was also extremely time poor living on site for up to 8 weeks at a time. He didn't have a team of advisors and he was lacking a mentor or a coach who could help him fast track his journey.

Since starting with us Berwin have bought two great properties. He plans to use his skills as a builder to renovate and build granny flats on each of them. Berwin has now moved home and is loving his more relaxed lifestyle, knowing he will be financially free in the future and that his years of hard work were worth it.

These the two properties we helped Berwin buy:



- 3 bedroom, 1 bathroom home
- Walking distance to the beach in Brisbane
- 622m2 block



- 3 bedroom, 1 bathroom home
- Walking distance to the beach in Brisbane
- 607m2 block

## A couple of simple ideas

### 3 properties to financial freedom

3 HOUSES + PAY OFF DEBT = FINANCIAL FREEDOM

What if achieving financial freedom wasn't hard to achieve?

With the 3 Properties to Financial Freedom strategy it isn't!

Here's the details:

#### **ACCUMULATION:**

**Buy the properties that will make you financially free long term.**

Step 1: Purchase 3 properties.

The aim is that these properties will go on to deliver you financial freedom once the debt is completely paid off.

#### **EXAMPLE**

##### **Property #1**

<b>\$600,000 House</b>
Rents for \$500 / week

##### **Property #2**

<b>\$600,000 House</b>
Rents for \$500 / week

##### **Property #3**

<b>\$600,000 House</b>
Rents for \$500 / week

The numbers don't have to be exactly this, you can change the numbers based on your circumstances and goals

The aim is for these properties to be paid off over the life of the loan (barring unfortunate circumstances). So now your focus shifts to paying off the debt quicker.

## **CONSOLIDATION:**

**This is where you pay off the debt on the properties that will make you financially free long term.**

Step 2: You now focus on paying off the debt on your foundational properties faster, buying more foundational properties or making a positive change in your life.

**Paying down debt** can be done in several ways:

- Pay principle and interest repayments off the home loan
- Use any tax benefits you receive at tax time to pay down debt
- Use any surplus income to pay down debt
- Invest in more properties, hold them for until they have doubled in value, then sell them to pay down debt
- Earn more through your employment and use the extra money to pay down debt, or spend less and use the extra savings to pay down debt
- Start a business and use income from the business to pay down debt

Growing your foundation is all about expanding your portfolio from 3 properties to 4 or more properties using the same or a similar strategy.

Now that you have your foundational properties you don't need that job you hate anymore to save for retirement. Now could be the time to make a change for the better in your life. Change careers, move locations, work less and live more.

## **FREEDOM:**

**Live your life your way**

Step 3: After your foundational properties are paid off completely, you can take the income from those properties and pay yourself a wage.

Without debt, you will be financially free! This is just the beginning of the journey. Now you can work out what to do for the rest of your life.

## **WHAT ABOUT YOUR OWN HOME?**

Owning your own home is an important goal for many people but it is not required for financial freedom, which is why the 3 properties to financial freedom strategy doesn't focus on it. You can purchase your own home before purchasing your foundational properties. Often the capital growth in your home can be used to finance your foundational properties. Or you can purchase your home after the foundational properties. It's up to you.

## **WHAT IF I ALREADY OWN MORE THAN 3 PROPERTIES?**

Not a problem. We can discuss how these properties align with your longer-term goal of financial freedom.

## A number of examples of the types of houses we buy...





## 2 properties to financial freedom

2 HOUSES + 2 GRANNY FLATS + PAY OFF DEBT = FINANCIAL FREEDOM

What if achieving financial freedom wasn't hard to achieve?

With the 2 Properties to Financial Freedom strategy it isn't!

Here's the details:

### **ACCUMULATION: Lay the foundations for financial freedom**

Step 1: Purchase your 2 foundational properties and build a granny flat on each of those properties.

The aim is that these properties will pay for themselves and go on to deliver you financial freedom once the debt is completely paid off.

### **EXAMPLE**

#### **Property #1**

<b>\$600,000 House</b>	<b>\$210,000 Granny Flat Build</b>
Rents for \$500/week	Rents for \$350/week

#### **Property #2**

<b>\$600,000 House</b>	<b>\$210,000 Granny Flat Build</b>
Rents for \$500/week	Rents for \$350/week

### **Important Points**

- Each property has a principal and interest loan over 25 years
- Each property should be approximately cash flow neutral up to a 5% interest rate
- The numbers don't have to be exactly this, you can change the numbers based on your circumstances and goals

The aim is for these properties to be paid off over the life of the loan (barring unfortunate circumstances). So now your focus shifts to paying off the debt quicker.

## **CONSOLIDATION: Speed up the process of achieving financial freedom**

Step 2: You now focus on paying off the debt on your foundational properties faster, buying more foundational properties or making a positive change in your life.

**Paying down debt** can be done in several ways:

- Invest in more properties and use capital growth or cash flow to pay off debt
- Earn more through your employment and use the extra money to pay down debt
- Spend less and use the extra savings to pay down debt
- Start a business and use income from the business to pay off the debt

Growing your foundation is all about expanding your portfolio from 2 properties to 3 or more properties using the same or a similar strategy.

Now that you have your foundational properties you don't need that job you hate anymore to save for retirement. Now could be the time to make a change for the better in your life. Change careers, move locations, work less and live more.

## **FREEDOM: Live your life your way**

Step 3: After your foundational properties are paid off completely, you can take the income from those properties and pay yourself a wage.

Without debt, you will be financially free!

This is just the beginning of the journey. Now you can work out what to do for the rest of your life.

## **WHAT ABOUT YOUR HOUSE?**

Owning your own home is an important goal for many people but it is not required for financial freedom, which is why the 2 properties to financial freedom strategy doesn't focus on it.

You can purchase your own home before purchasing your foundational properties. Often the capital growth in your home can be used to finance your foundational properties. Or you can purchase your home after the foundational properties. It's up to you.

## **WHAT IF I ALREADY OWN MORE THAN 2 PROPERTIES?**

Not a problem. We can discuss how these properties align with your longer-term goal of financial freedom.

## Example of an existing house and granny flat

Buy an existing house...



and build a granny flat...



## Example of a brand-new house and granny flat

Buy a piece of land and build a brand new dual income property...

