

# COVID-19 AND THE PROPERTY



APR 2020

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## MISSION

**BUY WITH PURPOSE AND INTEGRITY**

**RIGHT PROPERTY | RIGHT TIME | RIGHT LOCATION | RIGHT PRICE**

Property is a **serious business**..  
don't **risk** it!

### Our Methodology

Vision/Goals

3-Tier Research

Capital  
Growth

Strategy

Positive  
Cashflow



Macro level:  
LGA/Suburb

Micro Level:  
Street/Neighbourhood

Property

Data Driven  
Approach

**High Performance (Equity + Income) =  
Growth + Pos. Cashflow + Value Add**



One Stop Shop

**Buyers  
Advocate**

Licensed REA VIC and NSW



25 years  
industry  
experience

Buying  
across  
Australia

Astute  
Buyers  
Advocate

Residential  
and  
Commercial

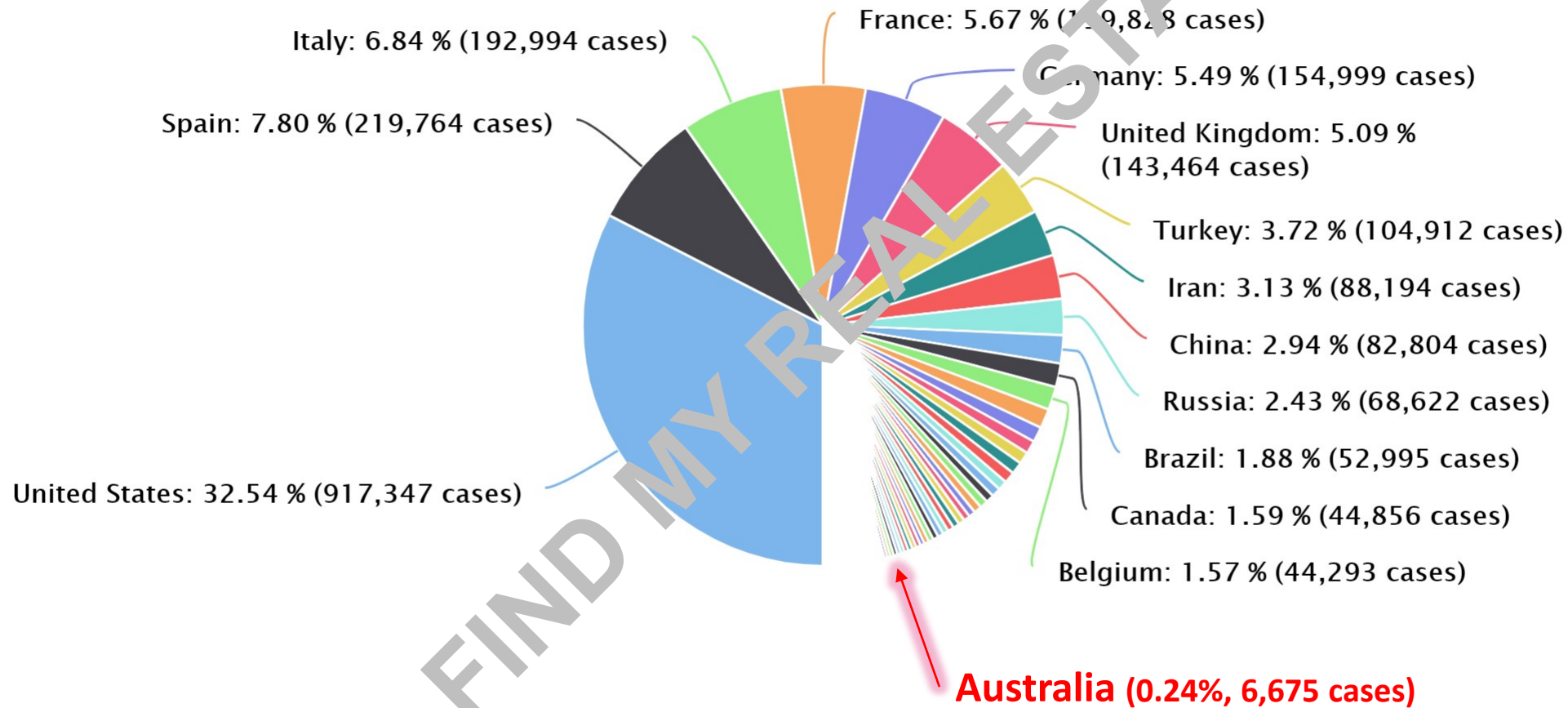
Investors

Developers

Home  
Buyers\*

# COVID-19 and the Property

## Distribution of cases



As at 24<sup>th</sup> April 2020

Source: Worldometer - [www.worldometers.info](http://www.worldometers.info)



# COVID-19 and the Property

AUS Total Cases

**6,675** (0.03%)

AUS Deaths

**79** (1.2%)

AUS Recovered

**5,136**

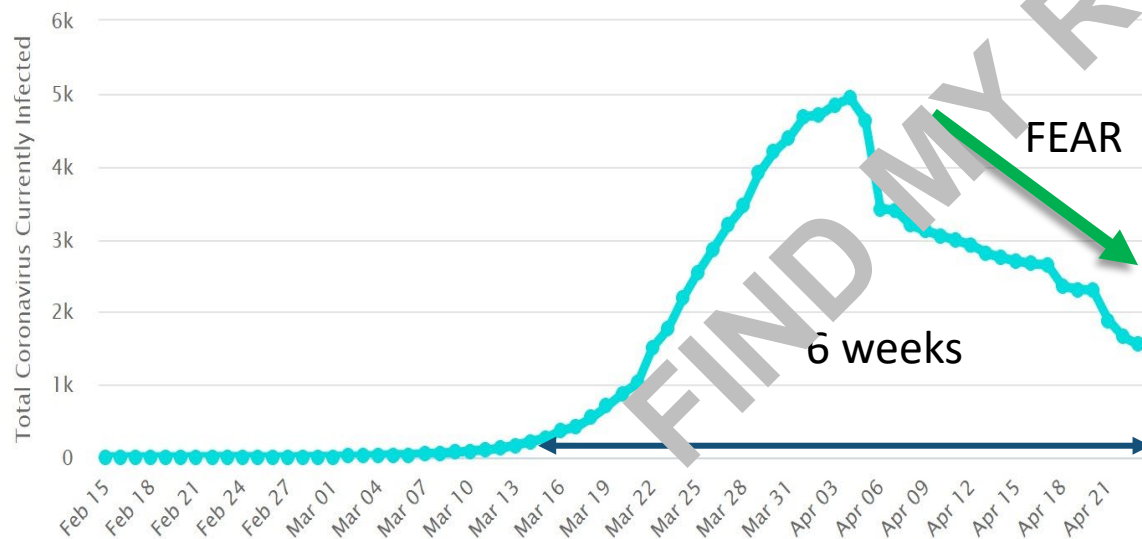
AUS Active Cases

**1,460**

## Active Cases in Australia

### Active Cases

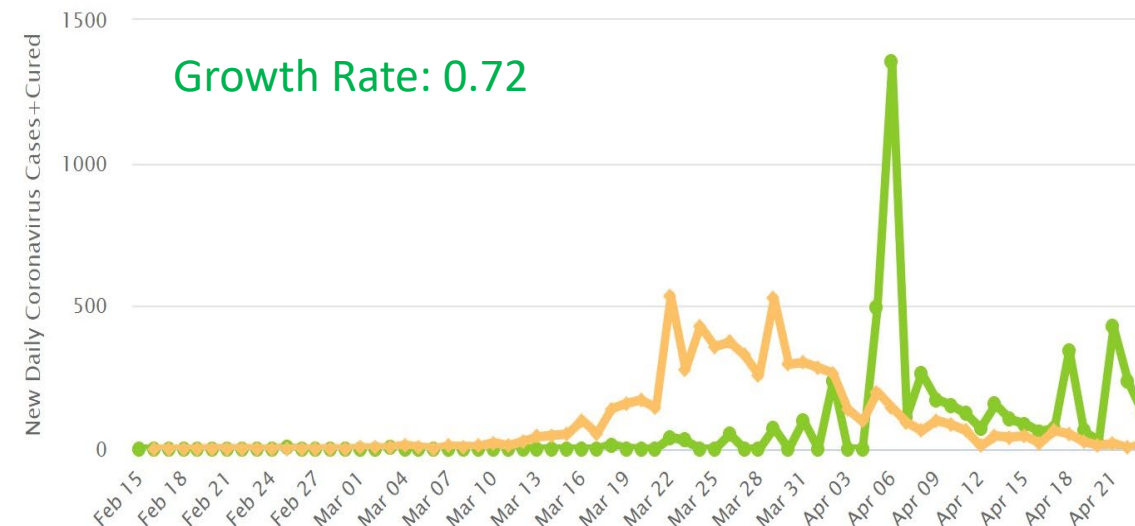
(Number of Infected People)



## Newly Infected vs. Newly Recovered in Australia

### New Cases vs. New Recoveries

(Number of newly infected vs. number of recovered and discharged patients each day)



# COVID-19 and the Property

## CHALLENGE

- COVID-19 – how long?
- Risk of Second Wave
- Uncertainty

## ISSUE: **SUPPLY** **NOT DEMAND.**

Its different to previous catastrophic events



**RESTRICTIONS IMPOSED**

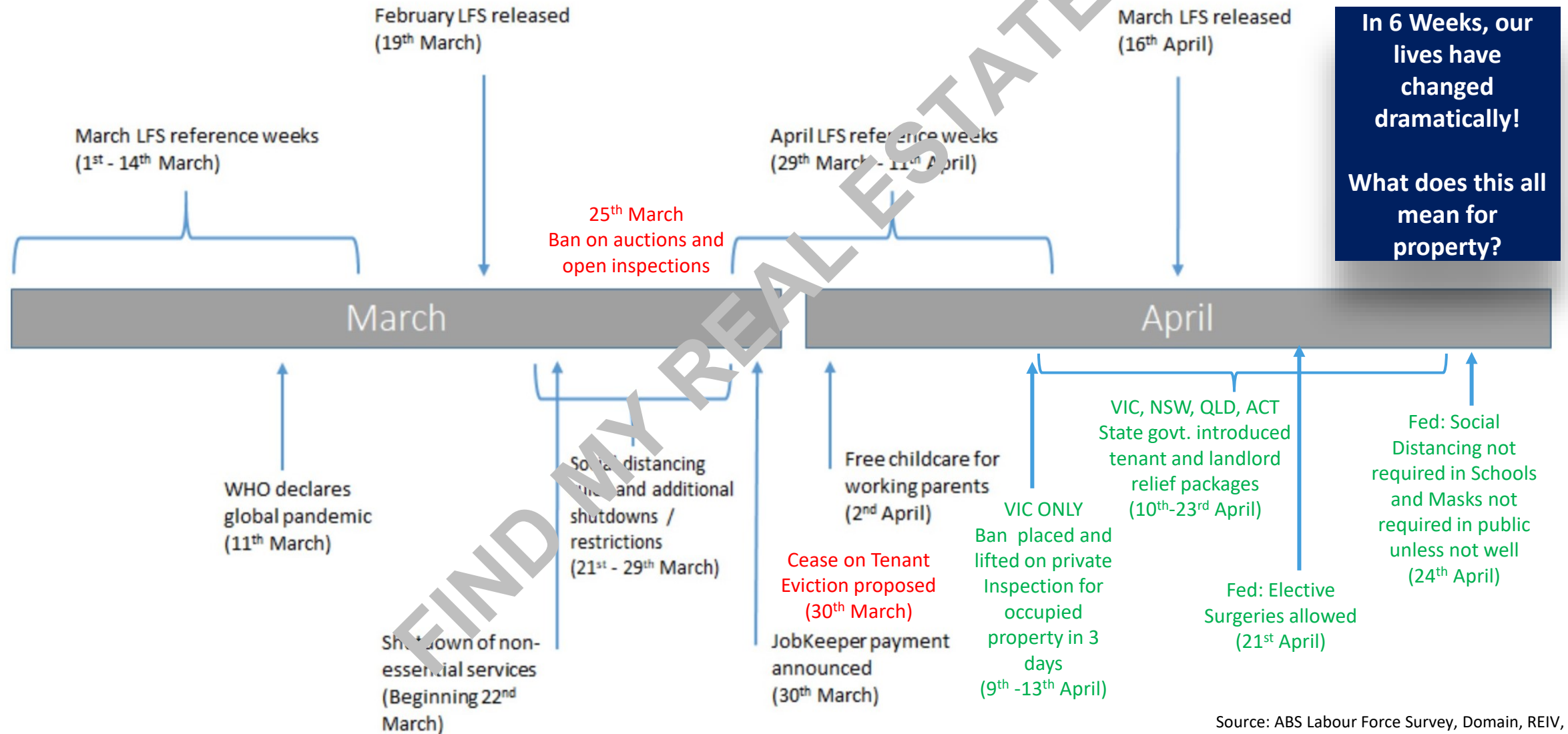


**RESTRICTIONS HAVE STARTED TO EASE OUT IN JUST 6 WEEKS AND LIKELY TO ROLL BACK IN THE SAME ORDER THEY WERE IMPOSED**



**MASSIVE PENT UP DEMAND**

# COVID-19 and the Property



# COVID-19 and the Property

## Job Loss

ABS: 14<sup>th</sup> Mar to 6<sup>th</sup> Apr

6%  
781,000

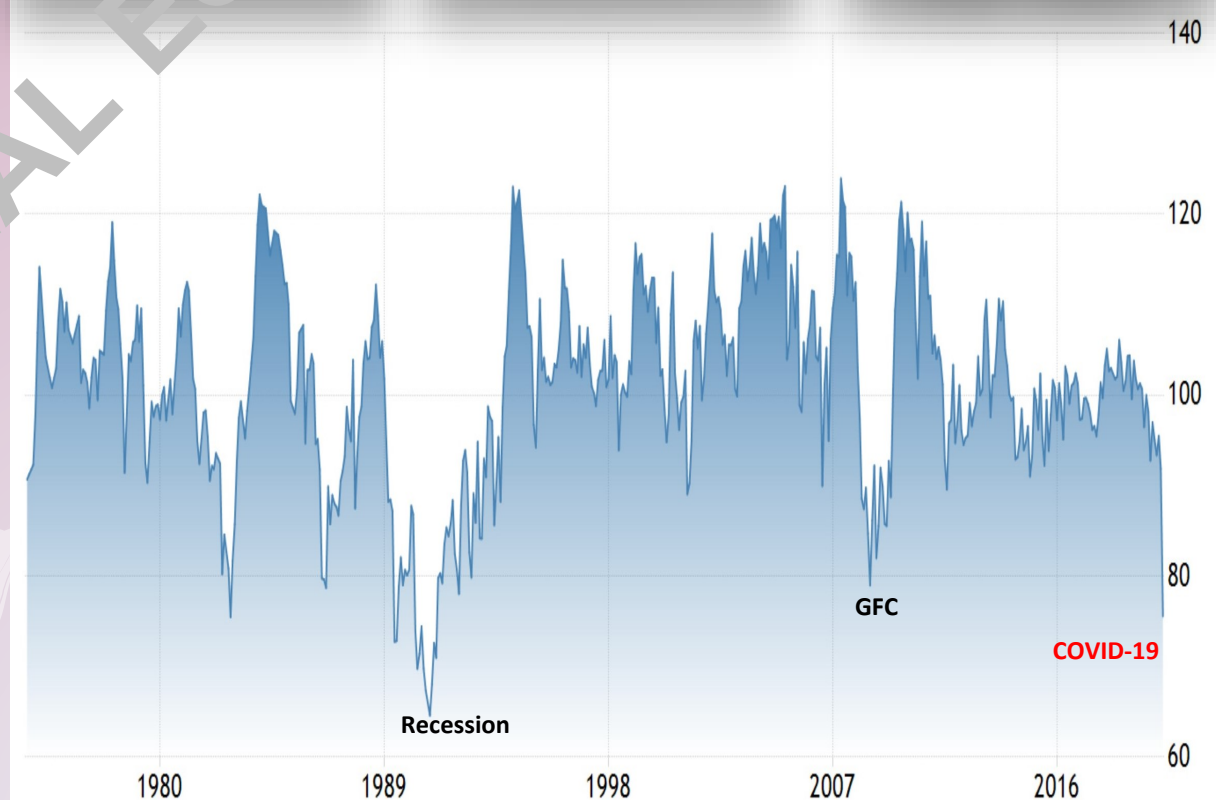
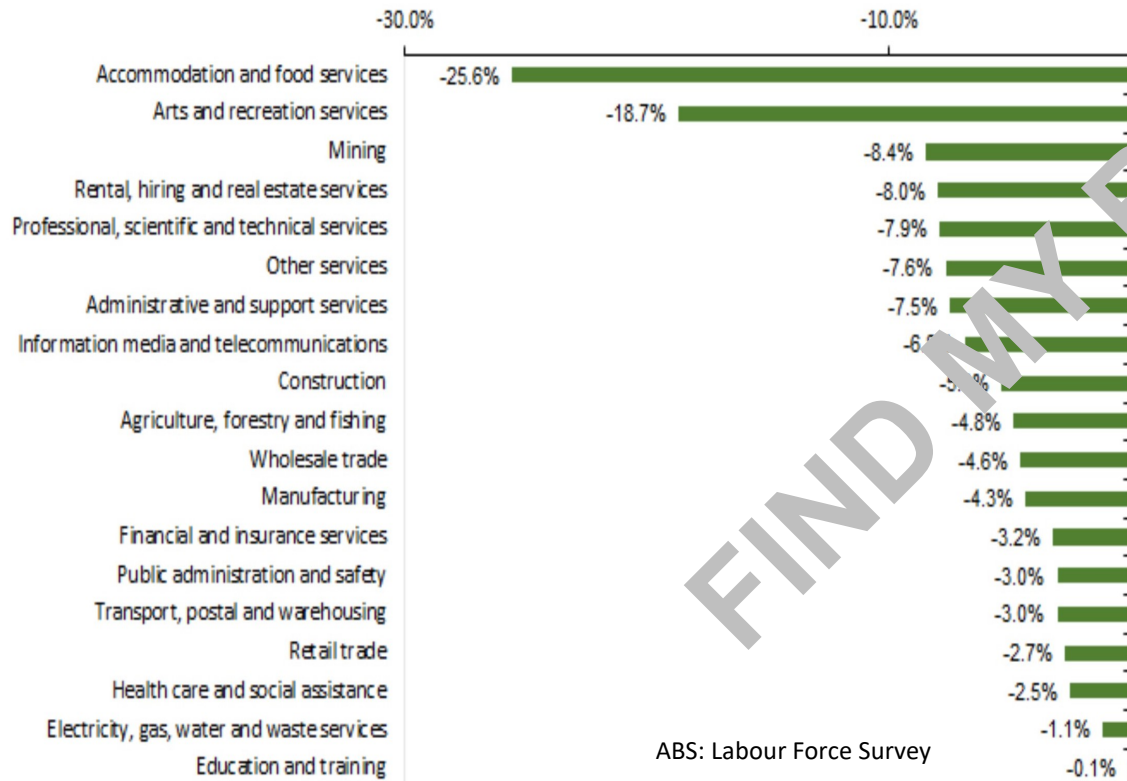
718,600  
ABS: Unemployment  
Rate 5.2% (Mar2020)

## Consumer Confidence

Apr: 17%  
lower than  
March

Biggest rate  
of monthly  
fall since  
Feb 1991

Changes in jobs between 14 March and 4 April, by industry



# COVID-19 and the Property

Key Industry  
Impacts

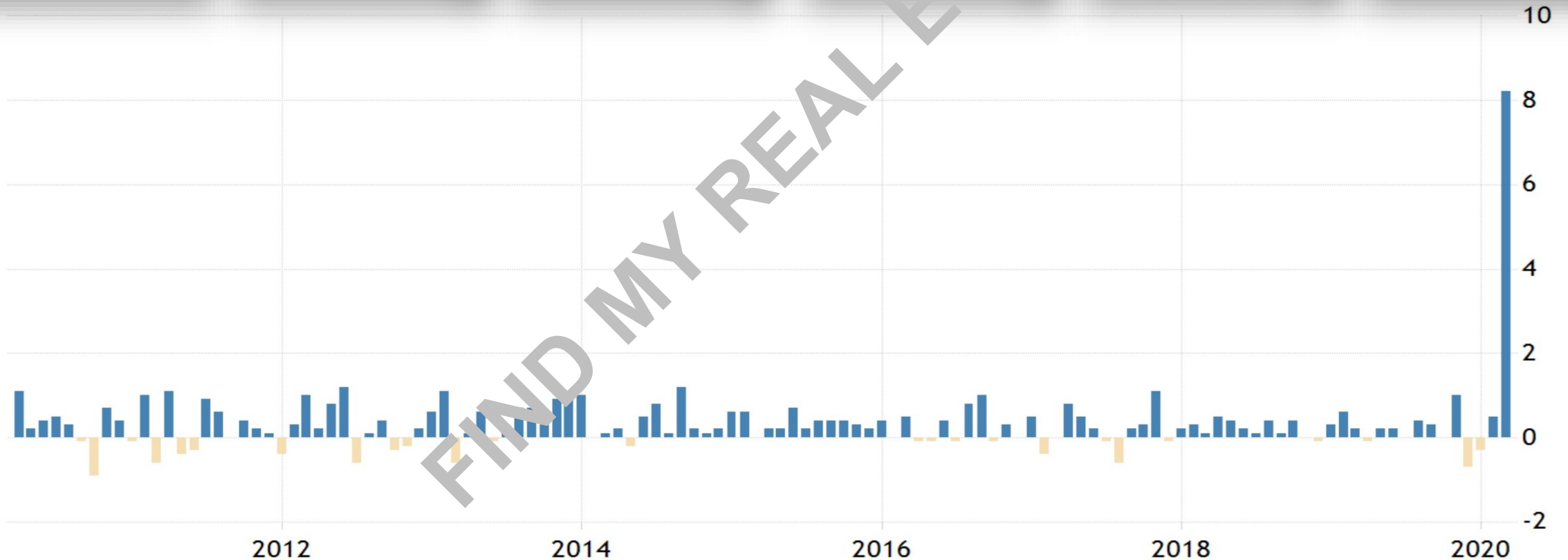
Retail  
8.2% ↑

Essential  
Services ↑

Home Offices  
Technology  
Health ↑

Cafes/Res  
Hospitality  
Personal  
Services ↓

Arts  
H. Education  
Entertainment  
Tourism/Travel ↓



SOURCE: TRADINGECONOMICS.COM | AUSTRALIAN BUREAU OF STATISTICS

# COVID-19 and the Property



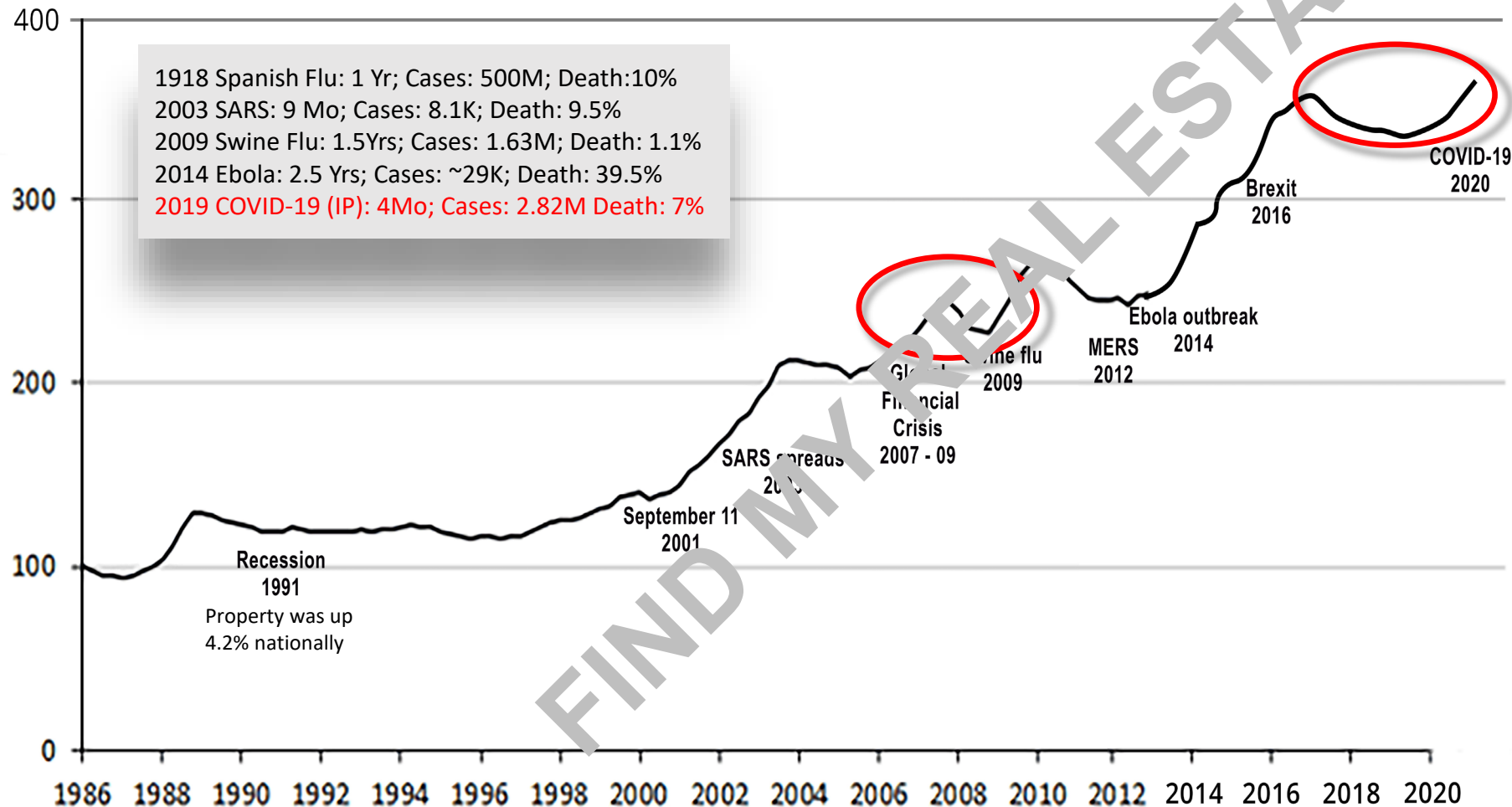
## S&P/ASX 200

- Highly volatile to global events and day to day movements
- GFC: dropped ~46% in year and half from 2007 peak
- Index has taken about 10 years to reach its GFC peak
- Brexit: 20% fall
- COVID-19: dropped 36-38% in **3 weeks** since recent peak

# COVID-19 and the Property

Property Market

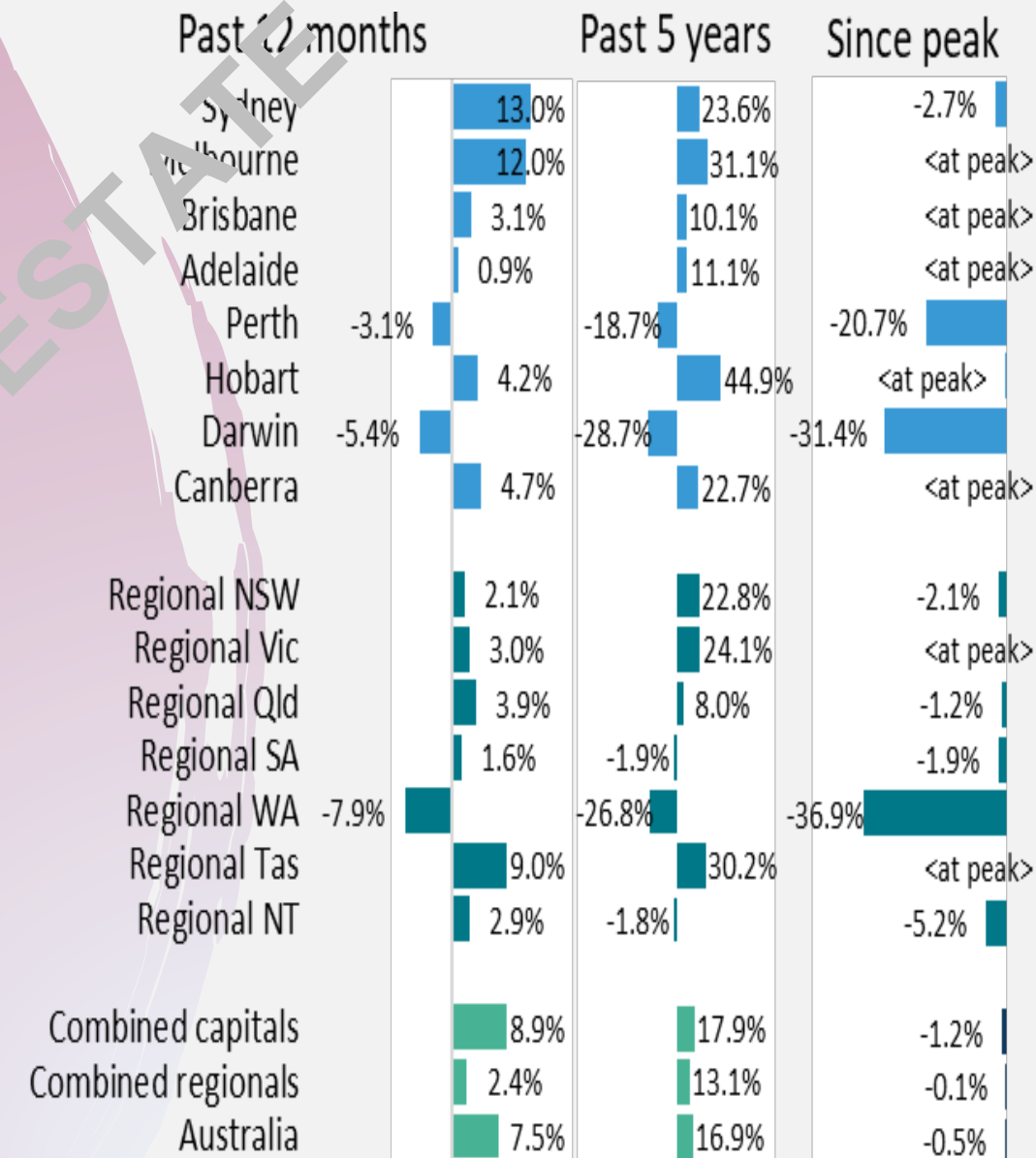
1986 - 2020 (1986 = 100)



## Property: (Australia)

- Markets are well insulated from day to day volatility
- Ripple effect of major health events are delayed significantly
- Brexit talks had nearly no impact on our property market
- GFC: prices dropped ~7.5%
- Index recovered in about 2 years to reach its GFC peak
- 2017-19: prices dropped up to 13% in some cities
- COVID-19: ????

# COVID-19 and the Property



Corelogic: as at 31<sup>st</sup> March 2020

# COVID-19 and the Property

CoreLogic: As at 31<sup>st</sup> March 2020

|                   | Change in dwelling values |         |        |              | Median value |
|-------------------|---------------------------|---------|--------|--------------|--------------|
|                   | Month                     | Quarter | Annual | Total return |              |
| Sydney            | 1.1%                      | 3.9%    | 13.0%  | 16.7%        | \$882,849    |
| Melbourne         | 0.4%                      | 2.9%    | 12.0%  | 15.7%        | \$695,299    |
| Brisbane          | 0.6%                      | 1.6%    | 3.1%   | 7.5%         | \$506,553    |
| Adelaide          | 0.3%                      | 0.6%    | 0.9%   | 5.4%         | \$437,296    |
| Perth             | 0.5%                      | 0.9%    | -3.1%  | 1.0%         | \$445,614    |
| Hobart            | -0.2%                     | 1.4%    | 4.2%   | 9.7%         | \$483,032    |
| Darwin            | 2.0%                      | 0.6%    | -5.4%  | 2.6%         | \$392,348    |
| Canberra          | 0.6%                      | 1.7%    | 4.7%   | 9.5%         | \$626,932    |
| Combined capitals | 0.7%                      | 2.8%    | 8.9%   | 12.7%        | \$643,540    |
| Combined regional | 0.6%                      | 2.0%    | 2.4%   | 7.3%         | \$392,802    |
| National          | 0.7%                      | 2.7%    | 7.5%   | 11.6%        | \$554,229    |



# COVID-19 and the Property



| MEDIAN HOUSE PRICE MARCH 2020 |             |             |             |                  |               |
|-------------------------------|-------------|-------------|-------------|------------------|---------------|
| Capital City                  | Mar-20      | Dec-19      | Mar-19      | Quarterly change | Annual change |
| Sydney                        | \$1,168,806 | \$1,139,281 | \$1,032,974 | 2.6%             | 13.1%         |
| Melbourne                     | \$918,350   | \$900,551   | \$815,495   | 2.0%             | 12.6%         |
| Brisbane                      | \$584,778   | \$581,077   | \$572,717   | 0.6%             | 2.1%          |
| Adelaide                      | \$542,418   | \$542,418   | \$535,210   | 0.0%             | 1.3%          |
| Canberra                      | \$779,050   | \$776,363   | \$746,470   | 0.3%             | 4.4%          |
| Perth                         | \$527,322   | \$527,323   | \$532,660   | 0.0%             | -1.0%         |
| Hobart                        | \$514,097   | \$503,125   | \$470,292   | 2.2%             | 9.3%          |
| Darwin                        | \$494,281   | \$488,326   | \$514,540   | 1.2%             | -3.9%         |
| National                      | \$819,860   | \$806,325   | \$752,646   | 1.7%             | 8.9%          |

Source: Domain House Price Report

| UNIT MEDIANS MARCH 2020 |           |           |           |       |        |
|-------------------------|-----------|-----------|-----------|-------|--------|
| Capital City            | Mar-20    | Dec-19    | Mar-19    | QoQ   | YoY    |
| Sydney                  | \$744,672 | \$725,377 | \$686,540 | 2.7%  | 8.5%   |
| Melbourne               | \$554,306 | \$556,428 | \$487,286 | -0.4% | 13.8%  |
| Brisbane                | \$374,054 | \$390,309 | \$392,009 | -4.2% | -4.6%  |
| Adelaide                | \$323,846 | \$310,706 | \$320,185 | 4.2%  | 1.1%   |
| Canberra                | \$441,055 | \$465,112 | \$460,919 | -5.2% | -4.3%  |
| Perth                   | \$348,535 | \$342,959 | \$340,619 | 1.6%  | 2.3%   |
| Hobart                  | \$431,842 | \$431,842 | \$393,344 | 0.0%  | 9.8%   |
| Darwin                  | \$262,562 | \$285,827 | \$313,462 | -8.1% | -16.2% |
| National                | \$570,229 | \$564,925 | \$530,845 | 0.9%  | 7.4%   |

# COVID-19 and the Property

## PROPERTY INDEXES

| Week ending      |            | Asking Price | Chg on prev wk | Rolling month % chg | 12 mth % chg |
|------------------|------------|--------------|----------------|---------------------|--------------|
| 21 Apr 2020      |            |              |                |                     |              |
| Sydney           | All Houses | 1,378.4      | -0.5 ▼         | 0.5% ▲              | 11.7% ▲      |
|                  | All Units  | 708.0        | -0.6 ▼         | -0.0% ▼             | 3.0% ▲       |
| Melbourne        | All Houses | 1,040.8      | 1.7 ▲          | 1.4% ▲              | 11.3% ▲      |
|                  | All Units  | 557.8        | -0.0 ▼         | 0.4% ▲              | 2.4% ▲       |
| Brisbane         | All Houses | 642.6        | -4.2 ▼         | -2.2% ▼             | 4.2% ▲       |
|                  | All Units  | 372.5        | 0.5 ▲          | 0.1% ▲              | 0.1% ▲       |
| Perth            | All Houses | 653.8        | -1.2 ▼         | -0.8% ▼             | -2.3% ▼      |
|                  | All Units  | 373.0        | -1.5 ▼         | -0.9% ▼             | -2.7% ▼      |
| Adelaide         | All Houses | 518.7        | -0.1 ▼         | -0.5% ▼             | 1.2% ▲       |
|                  | All Units  | 306.7        | -0.6 ▼         | 0.4% ▲              | 1.8% ▲       |
| Canberra         | All Houses | 821.4        | -1.1 ▼         | 0.1% ▲              | 0.4% ▲       |
|                  | All Units  | 442.0        | 1.0 ▲          | 0.2% ▲              | 5.1% ▲       |
| Darwin           | All Houses | 585.3        | 0.5 ▲          | 0.5% ▲              | 0.0% ▲       |
|                  | All Units  | 322.6        | 0.9 ▲          | 0.5% ▲              | -12.4% ▼     |
| Hobart           | All Houses | 580.4        | 1.1 ▲          | 0.4% ▲              | 13.9% ▲      |
|                  | All Units  | 357.4        | -1.5 ▼         | -1.1% ▼             | 16.6% ▲      |
| National         | All Houses | 599.4        | 1.4 ▲          | -0.1% ▼             | 5.9% ▲       |
|                  | All Units  | 389.4        | 0.5 ▲          | -0.4% ▼             | 3.3% ▲       |
| Cap City Average | All Houses | 989.8        | -3.4 ▼         | 0.5% ▲              | 8.7% ▲       |
|                  | All Units  | 573.7        | -0.4 ▼         | -0.1% ▼             | 2.3% ▲       |

| Week ending      |            | Rent  | Chg on prev wk | Rolling month % chg | 12 mth % chg |
|------------------|------------|-------|----------------|---------------------|--------------|
| 20 Apr 2020      |            |       |                |                     |              |
| Sydney           | All Houses | 659.6 | -7.6 ▼         | -5.7% ▼             | -5.1% ▼      |
|                  | All Units  | 482.0 | -3.0 ▼         | -3.7% ▼             | -4.8% ▼      |
| Melbourne        | All Houses | 538.0 | -6.0 ▼         | -2.4% ▼             | -1.3% ▼      |
|                  | All Units  | 412.2 | -3.2 ▼         | -2.4% ▼             | -2.5% ▼      |
| Brisbane         | All Houses | 459.2 | -2.2 ▼         | -2.1% ▼             | 0.3% ▲       |
|                  | All Units  | 375.8 | -0.8 ▼         | -0.8% ▼             | 1.2% ▲       |
| Perth            | All Houses | 455.7 | -1.7 ▼         | 0.5% ▲              | 2.2% ▲       |
|                  | All Units  | 347.7 | 0.3 ▲          | 0.3% ▲              | 3.3% ▲       |
| Adelaide         | All Houses | 407.8 | 0.2 ▲          | -0.1% ▼             | 4.1% ▲       |
|                  | All Units  | 314.1 | 0.9 ▲          | 1.3% ▲              | 4.7% ▲       |
| Canberra         | All Houses | 645.3 | -2.3 ▼         | 0.8% ▲              | 2.3% ▲       |
|                  | All Units  | 463.5 | -0.5 ▼         | -0.9% ▼             | 1.5% ▲       |
| Darwin           | All Houses | 466.7 | -0.7 ▼         | -0.9% ▼             | -4.5% ▼      |
|                  | All Units  | 359.2 | -2.2 ▼         | -1.0% ▼             | -4.2% ▼      |
| Hobart           | All Houses | 438.7 | -3.7 ▼         | -4.7% ▼             | 2.6% ▲       |
|                  | All Units  | 390.0 | -3.0 ▼         | -5.0% ▼             | 5.7% ▲       |
| National         | All Houses | 441.0 | -1.0 ▼         | -2.0% ▼             | 0.5% ▲       |
|                  | All Units  | 366.0 | -1.0 ▼         | -1.9% ▼             | 1.7% ▲       |
| Cap City Average | All Houses | 541.0 | -3.0 ▼         | -4.1% ▼             | -2.5% ▼      |
|                  | All Units  | 428.0 | 0.0            | -2.9% ▼             | -2.9% ▼      |

# COVID-19 and the Property

- National Economic output to fall by ~10% over first half of 2020
- Unemployment: Expected 10% End of June quarter but could be lower and likely to stay at 6% for next 2 years (Now at 5.2% as of Mar 2020)
- Negative inflation expected by June quarter (1.8% at the moment)

**Short term  
Negative Outlook**

**RBA Governor: 21<sup>st</sup> Apr**

**With Positive Spin**

- BUT economy will recover due to bridge built due to strong Govt. balance sheets, private banks and RBA
- Fundamentals that runs our economy are strong. Some businesses may take longer to recover
- Sep Q. bounce back expected if restrictions ease by Jun2020 and removed by Dec2020 (except international travel)

## RBA Policy Response

- Cash rate of 25 basis points will not increase until goals are achieved towards full employment and inflation
- RBA bought \$47B of govt bonds and will continue to do to achieve targets.
- Banks drawn out 3B of 90B so far of term funding facility

**Keeps the economy going**

# COVID-19 and the Property

## What's next in property?

S  
U  
P  
P  
O  
R  
T

Aus Govt  
Stimulus  
~200B

Wage Sub./  
Tenancy  
Support

Bank/SME  
Funding  
Support

Mortgage  
Holiday  
Repayments

Restrictions  
Easing\*

F  
U  
N  
D  
A

Lowest  
Interest  
Rates

Demand  
outstrips  
Supply\*

Strong  
Migration

7+ T\$  
Residential  
Market

Fav. Govt  
Policies &  
Economy

T  
E  
M  
P

Restrictions  
on Public  
Auctions

Restrictions  
on Open  
Inspections

Restrictions  
on Tenant  
Evictions

Sales  
Volumes  
Dropped

But  
Prices?

Cause: Ban (Supply: Restrictions)

Effect: New Emerging Trends

# COVID-19 and the Property

This slide is for general information only.  
Please don't apply it without considering  
your risks and seek professional advice

**OPINION ONLY (NOT ADVICE): Price decline is limited to 5%-10% if it occurs\***



Dr Oliver  
(AMP Chief  
Economist)  
and Dr Powell  
(Snr Research  
Analyst  
Domain)

## My Short Term Opinion (until Dec 20)

- Economy contracts by 6-10%
- Market Hibernates next 3-6 mo keeping prices as it is in most suburbs (not all) of Australia
- Suburbs impacted follows industry impact based on demographics

## My Post COVID-19/Restrictions Opinion

- Fast Recovery in Property Sector
- F.O.M.O will kick in that will drive the prices up
- Some industry sectors/businesses will take longer than others to recover

\*Not same everywhere  
and could bounce back  
if most domestic  
restrictions are lifted  
earlier than planned.

# COVID-19 and the Property

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## What to do next? 3 OPTIONS

**FEAR,  
ANXIETY and  
PANIC**

**HIBERNATE**

**Position for GROWTH\***  
(SMALL WINDOW: WE ARE IN A  
BUYERS MARKET AGAIN)

**STAY ACTIVE AND HEALTHY  
MAINTAIN FOCUS ENERGY LEVELS AND MINDSET**

**TALK TO PROFESSIONALS**

- GET MARKET READY
- WATCH NETFLIX/YUPPTV ETC
- SPEND TIME WITH FAMILY

- GET MARKET READY
- NEG. & SECURE PASSIVE INCOME
- DEALS WITH GROWTH STRATEGIES
- FHB DONT LOOSE MOMENTUM

**GET MARKET READY^**

- Set Goals
- Refine Requirements
- Finance/ Refinance
- Equity/Cash
- Look for JV partners
- Asset Protection
- FHB/TR: Eligibility Checks
- Due-Diligence
- Seek professional advice (priceless)

^ assumes your income and financial position is not at risk

\* Evaluate your Risks

# Strategies – We bring this to life!

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- **Investment Strategies/Opportunities**

- **Cashflow (Residential)\*:** RentVesting, Rooming, Granny Flats, Dual Occ, Executive Leasing, Airbnb, DHA/NDIS

**Cashflow (Commercial)\*:** Medical Centres, Warehouses, Storage Sheds, Car Parks, Strips of shops, Office Complex,  
Business Real-Estate(Backpackers, Boarding houses, Motels, Caravan Parks)

- **Growth\*:** Flip, Simple Sub-divisions, Small Developments (2- 4 units), Block of units (Strata Title), Resi-mercial
- **Look to mix Cashflow and Growth Strategies**
- **Look for distressed sales (Agents will advertise it or public trustee websites for each state)**
- **Negotiate: Look for things that can be of advantage. Have data at hand (most REAs don't know everything)**
- **Finance Issues: Do Joint Ventures (money partners; Vendor Finance); Property Options (no money down deals)**
- **Longer settlements: Ask for 6 to 12 months for growth or cashflow strategies as deemed suitable in this environment**

\* Highlighted green strategies are good right now

# Rent Vesting Strategy

For illustration purposes only

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Scenario: Say you can borrow only \$350K- \$450K and have \$80K in cash and unable to buy a PPR in the desired location

## GROWTH (After 10 Years)

PPR ROI – 63%; Equity: 465K  
(assume 5% YoY)

Investment ROI – 100%; Equity: 402K  
(assume 7.2% YoY)

|            | <u>PPR</u>         | <u>Investment</u>  |
|------------|--------------------|--------------------|
| TOTAL      | \$811,360 (PP740K) | \$439,890 (PP400K) |
| BANK (90%) | \$666,000          | \$360,000          |
| CASH REQ   | \$145,360          | \$79,890           |

## PRE-TAX CASHFLOW (Monthly)

- Income (5.8% Yield)
- Loan Repayment (Var.)
- Rates
- Insurance
- Property Management
- Current Rent

YEARLY CASHFLOW  
\$18,252 more money in your  
pocket without sacrificing  
lifestyle

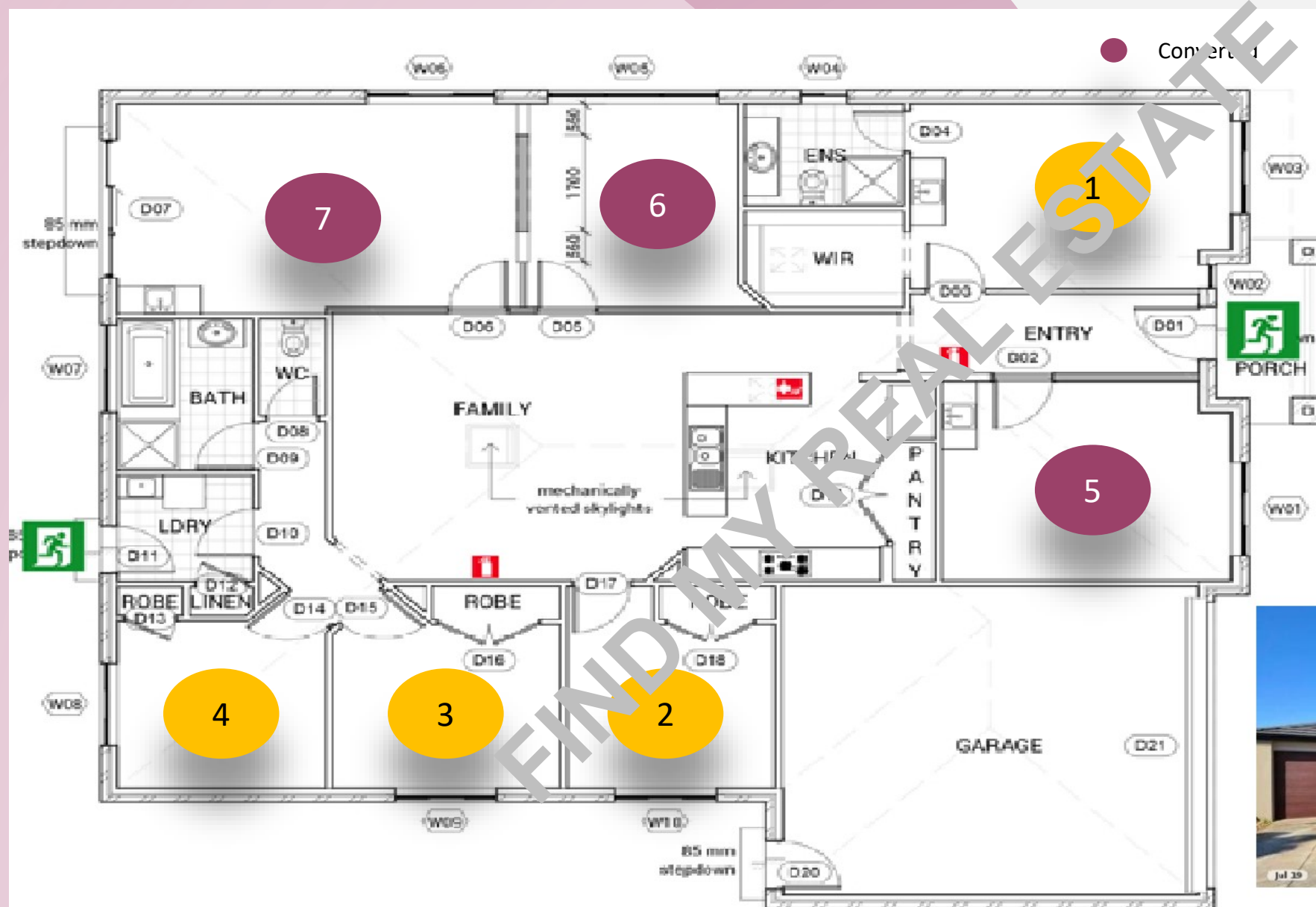
|       |                       |                      |
|-------|-----------------------|----------------------|
|       | \$0                   | \$1933               |
|       | -\$3,100 (P/I – 3.8%) | -\$1440 (I/O – 4.8%) |
|       | -\$250                | -\$125               |
|       | -\$100                | -\$50                |
|       | \$0                   | -\$147               |
| TOTAL | -\$3450               | \$171                |
|       | \$0                   | -\$2100              |

PRE-TAX CASHFLOW POSITION

-\$3450

-\$1929

# Rooming House – Cashcow Strategy (Case Study)



## Rooming

4 Bed converted into 7 Bed  
Nominal Rent: \$420/wk  
Rooming Rent: \$1600/wk

Cashflow: 29K pa  
Gross ROE: 33% pa  
Net ROE: 12.6% pa

Vacancy Rates: 10%  
In: 75K, Ex: 46K

PP: 525K (80% LVR)  
Closing Costs: 43K (cash)  
Conversion: 80K (cash)  
Cash Required: 228K



# CASE STUDIES : 1<sup>st</sup> YEAR est.

- Further Due Diligence Required. Use as guide only as it uses simple modelling
- Non-Cash Deductions are not shown like bldg., fitting depreciation & loan costs
- Value Add benefits are not shown however this results in higher growth and/or improve yield/cashflow
- Inflation is not considered. I/O Payments @3.1%-3.75% (BA Fees inc)



Cheap

SOLD

Growth:  
64K (24.47%)  
Yield:  
16K (6.1%)

Purchase Price: 261,500  
Under Market Value:  
48,500  
YR1 Growth: 15,500  
Pre-Tax Cashflow: 2,402  
LVR: 80% (Resi)

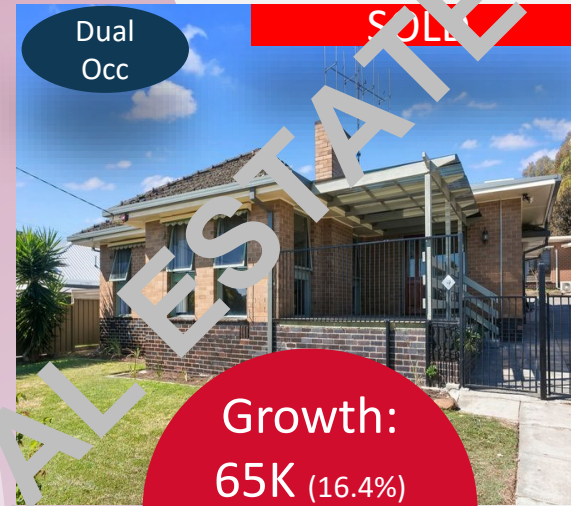


Dual  
Occ

SOLD

Growth:  
65K (19.1%)  
Yield:  
22K (6.5%)

Purchase Price: 340,000  
Under Market Value:  
35,000  
YR1 Growth: 30,000  
Pre-Tax Cashflow: 5,832  
LVR: 80% (Resi)



Dual  
Occ

SOLD

Growth:  
65K (16.4%)  
Yield:  
29K (7.2%)

Purchase Price: 398,000  
Under Market Value:  
32,000  
YR1 Growth: 33,110  
Pre-Tax Cashflow : 8,722  
LVR: 80% (Resi)



Medical  
Centre

SOLD

Growth:  
42K (19%)  
Yield:  
19K (8.63%)

Purchase Price: 223,000  
Under Market Value:  
26,000  
YR1 Growth: 16,000 (Cap 5.87%)  
Pre-Tax Cashflow : 11,841  
LVR: 70% (Commercial)

High Performance= Growth + Pos. Cashflow + Value Add

# Case Study: Knockdown Development

Demolish  
and  
Rebuild  
2 Units



Cost:  
1.325M  
Sale: 1.73M  
Profit: 405K  
ROI: 30.5%  
24 mo\*

\* Selling Timeframe is not included

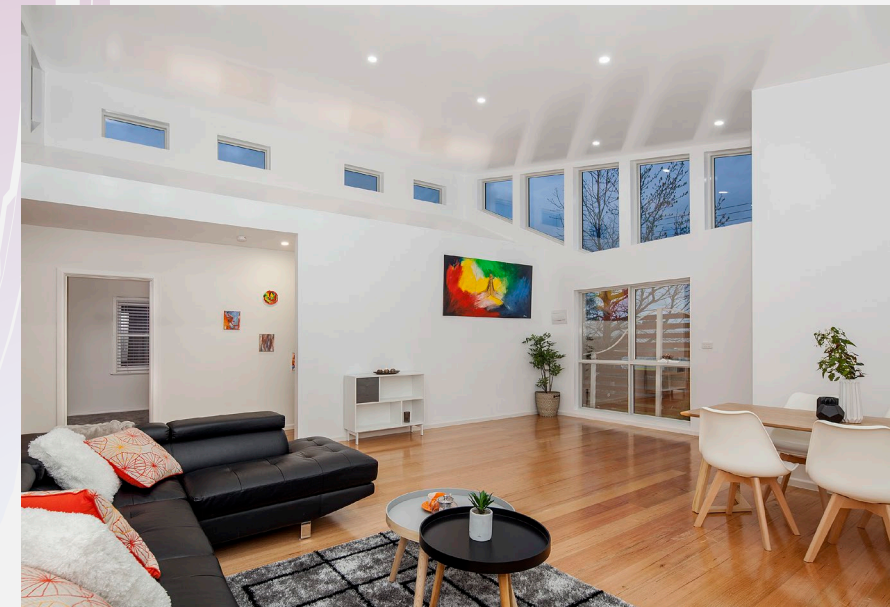
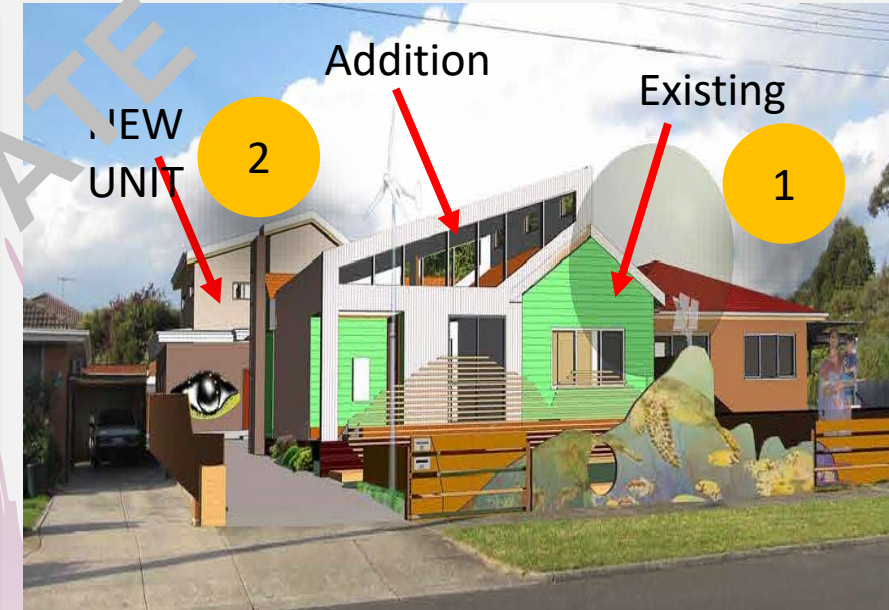
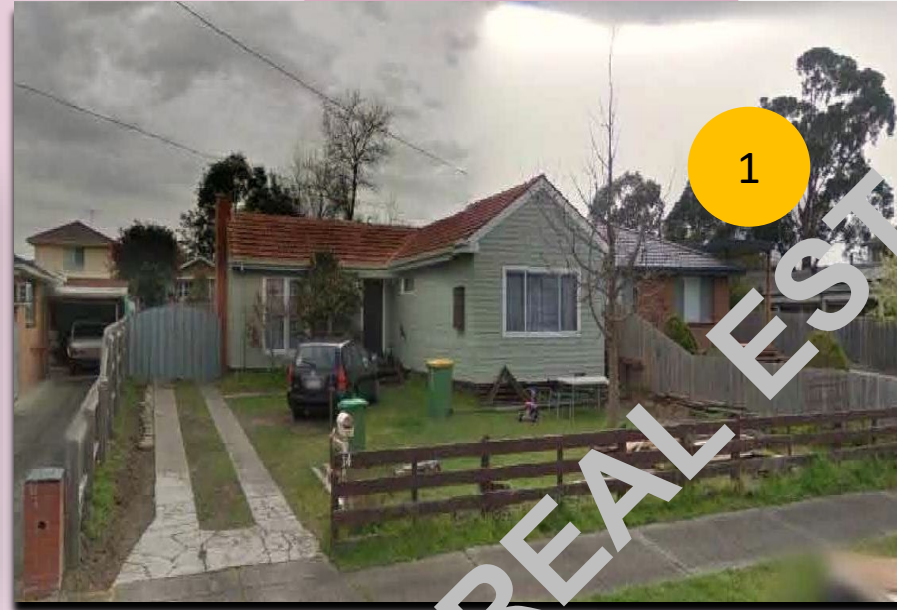


# Case Study: Extension and New Unit Development

Unit 1: 3 Bed, 1 Bath  
1 Car  
Unit 2: 3 Bed, 2 Bath,  
1 Car

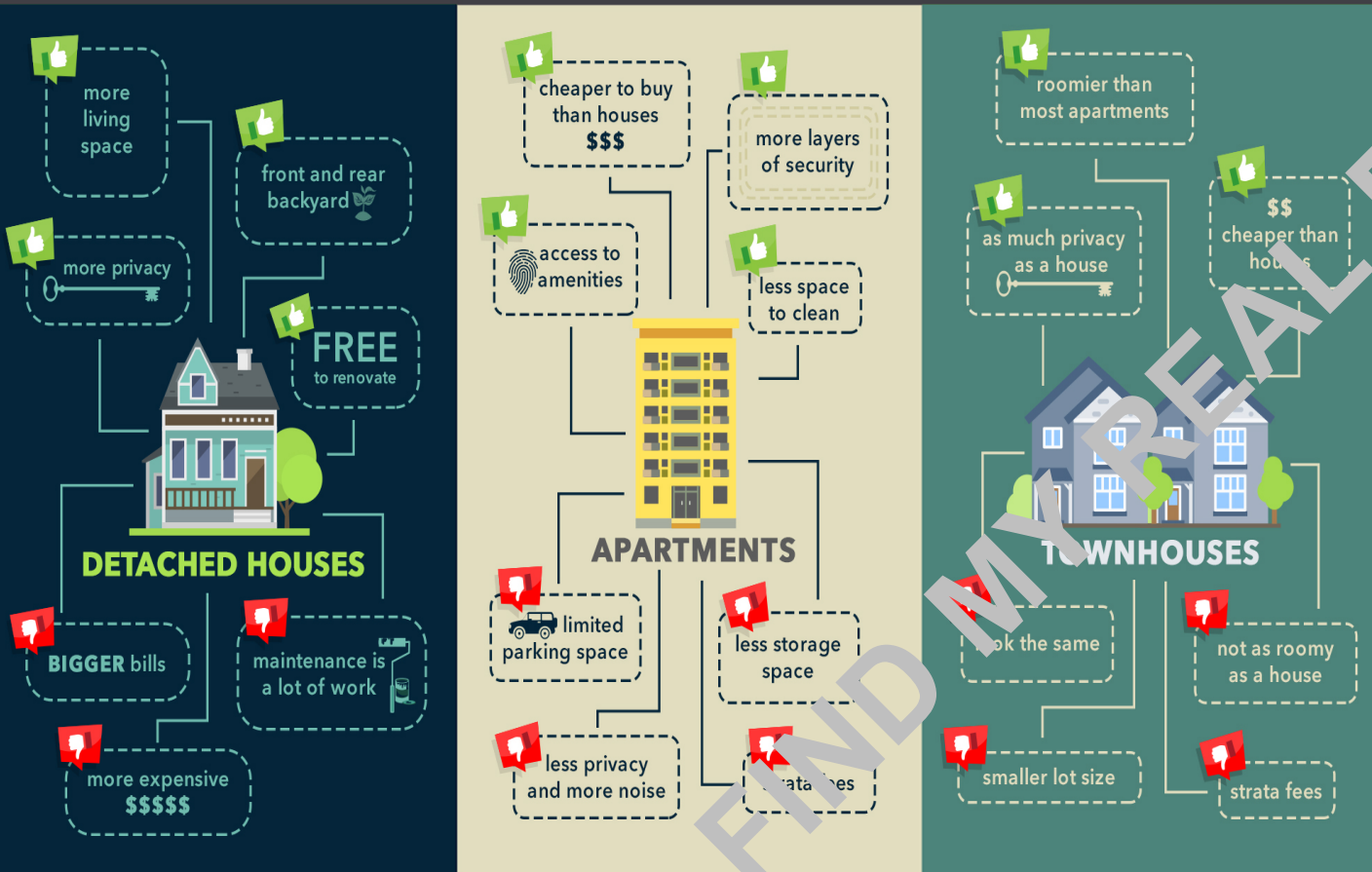
Cost: 1.1M  
Sale: 1.46M  
Profit: 360K  
ROI: 33%  
25 mo\*

\* Selling Timeframe is not included



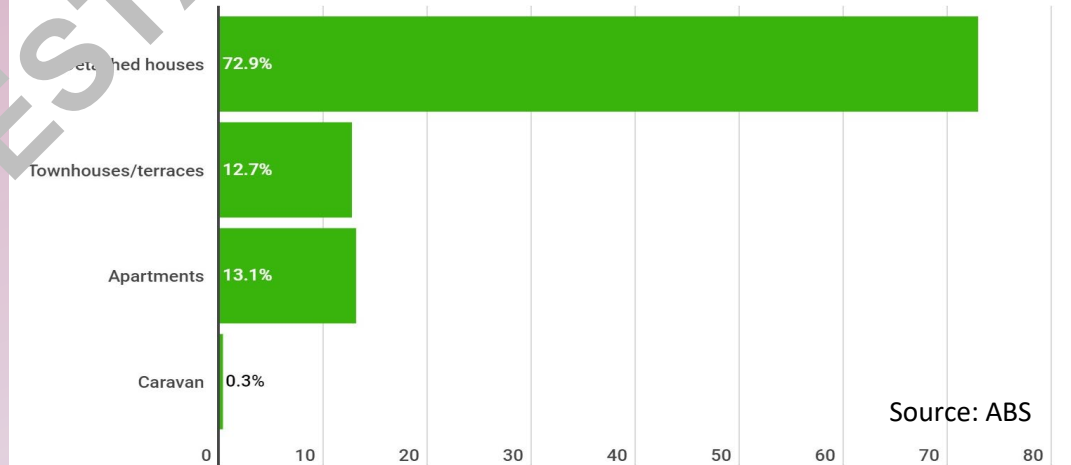
# Pros and Cons - Common Property Types

## 3 COMMON TYPES OF DWELLINGS: PROS AND CONS



## Where Australians lived in 2016

Separate houses continued to account for the largest proportion of homes. Semi-detached, row housing, townhouses, flats and apartments increased to make up just over one-quarter of housing (26%).



### Questions to ask yourself:

- How big is your family or will be in next 5 years?
- What can you afford now?
- Do you mind paying body corporate fees?
- Is a garage essential?
- Do you want a backyard?
- Do you have pets?
- Do you mind sharing facilities?
- Will you need to upsize or downsize in the future?
- Do you want to do renovations?
- What are you or aren't you prepared to compromise on?
- Do you want to own land?
- Do you mind living close to your neighbours?
- Will you be an owner-occupier forever? Or will you rent out the property at some point?
- If so, will renters find the property appealing?

# Pros and Cons - Established vs New

This slide is for general information only. Please don't apply it without considering your risks and seek professional advice



| Established (Old)                                                                                                       |                                                                          | Land & House or Brand New Build                                                  |                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Pros                                                                                                                    | Cons                                                                     | Pros                                                                             | Cons                                                                                                                    |
| May take lesser time and effort unless its analysis and paralysis. Distance: Reduce travel time to city based on budget | Likely more maintenance and expenses depends on what you buy off the bat | Flexibility to choose/ customize your designs and colours, material quality etc. | L&H: Extensive time and effort.<br>New: Likely overpriced if its already built                                          |
| You buy what you see.<br>Huge opps to buy below market value in more demand less supply areas/suburbs                   | Lower depreciation depending on age of the house if its for investment   | Built to suit the needs of audience, market                                      | L&H Paying for rent whilst under construction/not getting income                                                        |
| Investment: Instant income source at settlement<br>FHB: Locking in the opportunity in the current market                | May need building/council approvals to make changes unless its cosmetic  | Maximise Depreciation. Can turn into positive cashflow (after tax)               | L&H Land Settlement/Build Delays and other operational complexities.<br>Opportunity loss if markets are to move quickly |
| Likely bigger space in more established suburbs with better amenities & essential services based on budget              | Limited to design changes unless looking to completely knockdown         | Less Maintenance                                                                 | Greenfield: takes time to develop community. Value sits in house than land which depreciates. Growth rate is slower     |
| Likely better security in established suburbs with more demand than supply                                              | Lack of due diligence/ bldg. pest insp. can costs more                   | FHB: Access to govt grant if eligible                                            | If built not per market; may be hard to sell at the expected price                                                      |
| Value in land not house and growth rate is better (if bought right)                                                     | If bought at a wrong price, location can cost you a lot.                 | Neg: Full turnkey fixed costs and fixed timeframe if not price                   | May pay more unless its turn-key even then landscaping, driveways may not exist                                         |
| Manufacture growth: increase value by cosmetic renos and other tactics                                                  |                                                                          | Small outlay to secure property. Likely build equity along the way               | FHB: have to buy in outer-areas. Increases in travel time                                                               |

**Investors: In current COVID-19; stay away from off the plan/apartments and land banking. Do your numbers for returns. It should be positively geared (Pre-tax) and seek growth opportunity in the right locations at the right price and right timing**

# 10 Steps Property Buying Process – We do it all for you

1. **Flesh out requirements:** Know what you need vs want to suit your family and lifestyle (next 5 years)
2. **Asset Protection:** Engage accountant to know which entity to buy the property in and maximise your tax benefit
3. **Finance:** Engage a lender/broker to understand your borrowing capacity and get a pre-approval to keep the deposit/funds ready
4. **FHB Govt Benefits:** Assess eligibility and what you can get from govt.
5. **Closing costs:** Detailed cost breakdown related to securing a property (Stamp Duty, Bank Fees, Legal Fees, LMI, Other Govt Charges, Buyer Agent Fees, Building and Pest Insp, Council and Utility Rates and Insurance)
6. **Due Diligence:** Research the right property at the right location and at the right time! For the chosen property, seek a copy of the contract of sale from the agent and review it
7. **Engage other Professionals:** Conveyancer/solicitor, Bldg and Pest inspector, Property Manager (for investments and established homes)
8. **Offer Stage:** Make an offer at the best price and terms to negotiate your position. If offer is accepted, move swiftly to avoid gazumping and progress to unconditional stage with minimum following conditions to be satisfied as per buyers needs.
9. **Contract Stage:** In a sellers market, you may need to get to fully executed contract with minor special conditions. Usually 5% to 10% deposit is required at this stage. If in auction, there are no conditions and no cooling off period unless agreed prior with agent. Ensure conditions of purchase align with jurisdiction in which you buy the property
  1. Due Diligence: Ensures you are buying the right property
  2. Seek clearance from bldg. and pest inspector and conveyancer
  3. Finance: Get the bank/broker to seek unconditional approval for the loan
  4. Check the cooling off period (could be 5 to 10 days) but which the contract is unconditional. You can also pull out in this period but you forfeit a small % of the deposit (usually 0.25% of the purchase price). May vary in different jurisdictions.
  5. Ensure mortgage and transfer of land docs are signed, pay for stamp duty and get govt incentives you are entitled to
  6. Final Inspection: On or before settlement day do a final inspection and everything is in line with the contract of sale
  7. Organize Landlord or Building and Content insurance as applicable
10. **Settlement Stage:** Conveyancer/solicitor will organise and settle the property and secure the funds from you prior to the day

**Congratulations! Get the keys from the agent and move in or rent it out through agent (focus on renting out prior to settlement through special conditions)**

# Service Catalogue

^^ Third Party Services and Costs are separate and non-refundable  
HB - Home Buyers or First Home Buyers; est. - Established



|                                              | Auction Only                                                                 | Nuts & Bolts                                 | Premium                                                                   | Armchair                                                                                      |
|----------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Service Areas                                | VIC                                                                          | VIC                                          | VIC                                                                       | Australia Wide                                                                                |
| Benefits(Suitability)                        | Control anxiety and budget and possibly secure est. property (HB, Investors) | Secure the right Land & House Packages? (HB) | Move quickly into your fit for purpose dream home with future growth (HB) | Supercharge your game with A-Grade investment properties (Investors, Developers and Flippers) |
| First FREE Consultation                      | ✓                                                                            | ✓                                            | ✓                                                                         | ✓                                                                                             |
| Strategy/Brief Session                       | ✓                                                                            |                                              | ✓                                                                         | ✓                                                                                             |
| Assemble your A-team                         |                                                                              | ✓                                            | ✓                                                                         | ✓                                                                                             |
| Source Properties/Deals                      |                                                                              | ✓                                            | ✓                                                                         | ✓                                                                                             |
| Suburb/Property reports                      |                                                                              | ✓                                            | ✓                                                                         | ✓                                                                                             |
| Property Inspection                          |                                                                              |                                              | ✓                                                                         | ✓                                                                                             |
| Property Negotiation                         |                                                                              |                                              | ✓                                                                         | ✓                                                                                             |
| Auction Representation                       | ✓                                                                            |                                              | ✓                                                                         | ✓                                                                                             |
| Assist Bldg &Pest Insp & Conveyance^^        |                                                                              | ✓                                            | ✓                                                                         | ✓                                                                                             |
| Assist with Contract Exchange                | ✓                                                                            | ✓                                            | ✓                                                                         | ✓                                                                                             |
| Assist with Property Settlement              |                                                                              |                                              | ✓                                                                         | ✓                                                                                             |
| Progress Report                              |                                                                              | ✓                                            | ✓                                                                         | ✓                                                                                             |
| Orchestrate E2E buying process               |                                                                              |                                              | ✓                                                                         | ✓                                                                                             |
| Project Mgmt (Reno/Develop in VIC only)      |                                                                              |                                              |                                                                           | ✓                                                                                             |
| Engage Property Rental Mgmt. (Investors)     | ✓                                                                            |                                              |                                                                           | ✓                                                                                             |
| Bi-Yearly Portfolio Val. & Monitor           |                                                                              |                                              |                                                                           | ✓                                                                                             |
| 100% Money Back Guarantee (conditions apply) |                                                                              |                                              |                                                                           | ✓                                                                                             |



FIND MY REAL ESTATE

# THANKYOU

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