

Melbourne Property Investment Purchase - Starting Point Strategy.



INSTRUCTIONS

Use Y for Yes, True or Mostly True; M for Maybe or Unsure or Sort Of; N for No, False or Mostly Untrue

Column1	Column2	Real Estate Angel Notes:
Is this your first real estate purchase in Australia?	Y	FHG eligibility?
What is the value of your current real estate assets?	\$ -	Other assets ?
How much do you owe on your current real estate assets?	\$ -	
What is your current balance of cash at bank savings?	\$ -	What happened to the \$12,000?
What was the balance of your cash at bank savings, 12 months ago?	\$ 12,000.00	
How much of your cash at bank savings do you wish to use, towards the purchase of your real estate investment?	\$	Where is the deposit coming from?
Are you self employed?	N	
Are you on Salary income?	Y	
What is your gross (before tax) annual pay?	\$ 120,000.00	30% - 35% safe range of serviceability = \$36,000 - \$42,000
What is your net (after tax) monthly pay?	\$ 7,000.00	Taxed at about 30 cents in the dollar - who is major bread winner
What is the average monthly total of all your bills and living expenses (including travel, entertainment, cars, hobbies and impulse buying)?	\$ 3,500.00	Does this include Rent? Currently indicates good saving ability
Do you have an excellent credit rating?	Y	
Have you obtained a pre-approved mortgage commitment from your lender?	Y	
What is the maximum mortgage amount you have you been pre-approved for?	\$ 550,000.00	interest only? At 7% equates to \$38,500 pa
Is your employment income likely to go down in the next 5 years?	N	
Is capital growth more important to you than tax savings?	Y	Capital Growth is the driving factor with security of rental income to follow
Is rental income more important to you than tax savings?	Y	
Is rental income more important to you than capital growth?	N	Tax Savings aren't as big a consideration - makes sense when at 30 cents in the dollar
Is future development potential important to you?	N	
Is renovation potential important to you?	Y	
Is low maintenance real estate important to you?	M	Will consider some work?
Is reliable rental income important to you?	Y	
Is the ability to occasionally drive past your investment property important to you?	N	
Is the ability to regularly drive past your investment property important to you?	N	
Would you like to never see the inside of your investment property?	N	has a minor interest in construction style and quality
Do you ever intend to live in your investment property?	N	
Do you expect your investment property price to double in 5 years?	N	
Do you expect your investment property price to double in 10 years?	Y	
Do you expect your investment property price to double in 15 years?	Y	
Do you expect your investment property price to triple in 15 years?	Y	Seems to want a realistic performance closer to the seven year doubling
Are you prepared for vacant periods of a week or two with no rental income?	N	Will need to be a very tenant friendly property
Are you prepared for vacant periods of a month at a time with no rental income?	N	No time for renovation
Are you prepared for periods of a couple of months at a time with no rental income?	N	
Is having the same tenant for three years or more important to you?	N	Serviceability an important issue
Do you expect to reduce some personal spending habits in the future?	Y	Expenditure confusing
Do you expect to increase personal spending habits in the future?	Y	
Do you expect to earn more personal income in the future?	Y	Serviceability to get easier in the future as income grows - also tax benefits will increase
Do you expect that you will only ever have one investment property?	N	
Do you expect that you will accumulate a couple of investment properties?	Y	
Do you expect to accumulate 5 or more investment properties?	N	What are your long term goals, how many years before you get your second place
Would you really prefer to be a real estate developer than a landlord?	N	
Would you really prefer a simpler investment than real estate?	N	Current mindset is comfortable with being a landlord
Do you see yourself as a landlord within 5 months of today?	N	Lack of deposit likely cause of funding hold up? Or is it something else? 5 months on income and lifestyle spending is possible
		The client has good spending habits and serviceability The client lacks adequate deposit the client does not currently have a large tax incentive The client seeks capital growth as a priority The rental income consistency is extremely important Renovation is not advisable due to lack of savings and desire for no vacancy periods
		Advice Save more deposit - savings capacity is \$42,000 over the next 12 months Seek alternative deposit funding - family Consider - very cautiously - an off the plan boutique purchase (developer/builder risk High)