



# 10 Financial Mistake Made By Property Investors

Understanding Property Finance And Home Loans For Property Investors And First Home Buyers.

Understanding Property Investment & Property Finance Basics

MISTAKE 1: Not Understanding Why Loan Structuring Determines The Future Growth Of Your Property Portfolio.

Cross-Collateralization = Giving Banks Too Much Power

MISTAKE 2: Thinking That Bank Is Your Friend. Bank Vs Broker, Who's On Your Side?

When Was The Last Time Your Bank Manager Called You?

What Does A Finance Broker Do?

How Can A Finance Broker Help You?

How To Find A Good Finance Broker?

MISTAKE 3: Thinking That You Need To Sell Your Property To Make A Profit.

Capital Gains Tax (CGT)

Selling Costs

MISTAKE 4: Getting The Rug Pulled From Under You.

Have You Heard Of The Concept Called Threshold?

MISTAKE 5: Thinking That High Credit Card Limit Is Good.

MISTAKE 6: Having Your Financial Eggs In One Basket Is Convenient, Not Conducive To Your Finance Strategy.

Don't Have All Your Eggs In One Basket

MISTAKE 7: Not Conducting A Thorough Financial Feasibility.

Acquisition Costs

Loan Costs

Ongoing Costs

MISTAKE 8: Not Knowing What To Look For In An Investment Loan.

Line Of Credit

Offset Account

Loan Redraw Facility

Bank Fees

Check With More Than One Lender

Loan Term

Repayment Holiday

Honeymoon Rates

Fixed Rate Loans

Advantage

Disadvantages

What's Your Finance & Investment Strategy?

MISTAKE 9: Paying Off Your Mortgage Too Soon.

My Question: Why Would Amelia Use The \$100k Windfall From Her Father To Pay Off The Existing Mortgage?

MISTAKE 10: Not Understanding The 8 Secrets To Getting Property Finance Or Home Loan Approved With Any Lender.

1. Capacity

2. Capital

3. Collateral

4. Economic Conditions

5. Character

6. Commitment

7. Credit Rating

8. Common-Sense

Bonus 1: 8 Reasons Why You Shouldn't Cross- Collateralise Your Property Portfolio.

1. More Security For The Bank Than Required.

2. Wanting To Sell One Of Your Properties, Good Luck As You Won't See Any Money.

3. Extra Paperwork And Fees When You Buy Or Sell Your Property.

4. Inconvenience & Unnecessary Hassle Changing Banks.

5. Limited Product Selection And Control

6. Say Goodbye To Individual Re-Valuations

7. Equity lock up

8. Bank's Will Determine Your Destiny.

Bonus 2: Legitimate Expense Deductions For Property Investors.

Tax Deductions

Interest Payments

Depreciation Allowance

The Total Depreciation Allowance Is 2.5% Of The Built Cost.

Division 40 (Plant & Equipment)

Division 43

The Difference

What If You Own A Property That Was Built Prior To 1985?

Rental Expenses