



PROPERTY
PORTFOLIO BUILDER

A Property Investor's roadmap to growing and adding value to your property portfolio.

Jyh & Danica share their learnings with their experience in building a portfolio of 10+ properties worth over \$10M in value.


Goal setting

is very powerful and we encourage you to think about what you want to achieve both in the short term (2-3 years) and long term (10+ years).

Of course things will change along the way, but having clear purpose and goals will allow you to stay course on your strategy and execution.

1. IDENTIFY YOUR GOALS

Example: think about what income you require to generate to live the lifestyle you desire. This could be \$50,000 annually or \$100,000 for example. Once you know what income you need to generate, we can work backwards to understand how many properties you need to acquire over time and you can focus on building your asset base.



Serviceability is your borrowing capacity (i.e. ability to get finance from lenders). Ideally, you want to maximise this throughout your entire property journey so you can continue to get finance and restructure your portfolio as needed.

2. INCREASE YOUR SERVICEABILITY

Here are ways to increase your serviceability:

1. Increase household income
2. Pay rise (NOTE: \$10,000 pay rise is almost equivalent to \$70,000 additional borrowing power.)
3. Invest in your career and skillsets
4. Start a side hustle
5. Use various tiers of lenders to maximise borrowing capacity
6. Reduce or pay-out consumer debt like car loans and student loans
7. Increase rental income
8. Purchase properties with higher rental yields
9. Consider buying properties in trusts and SMSF (self-managed super fund)

Building an asset base is very important as this is your wealth that compounds over time. The larger the asset base, the more exposure you have to the market and more potential growth and income.



3. BUILD ASSET BASE

Imagine you have a \$2M asset base

comprised of 4 properties (\$500K each). You will be exposed to a much larger compounding return compared to a \$1M asset base.



\$ 2,000,000

If your total portfolio is growing at say 5% average annual capital growth, your portfolio will be growing at \$100,000 on average per annum and \$100,000 in gross income assuming a 5% gross yield.

Rents will also increase over time as the property value increases. Your goal is to build a large enough asset base that is sustainable to hold long term and generate the desired income.



Increasing your equity
will allow you to recycle the funds into
more assets with leverage much faster.

4. INCREASE YOUR EQUITY

Here are ways to increase equity:

1. Cosmetic renovations, re-value and release equity (NOTE: This is our favourite and the most cost effective.)
2. Structural renovations, re-value and release equity
3. Sub-divisions
4. Reduce debt levels by consolidating
5. Purchase properties with high capital growth and short-term growth potential

HOW RECYCLING EQUITY WORKS

Lets say say you have an existing property that has increased in value to \$600,000 over time and your existing loan is \$355,000.

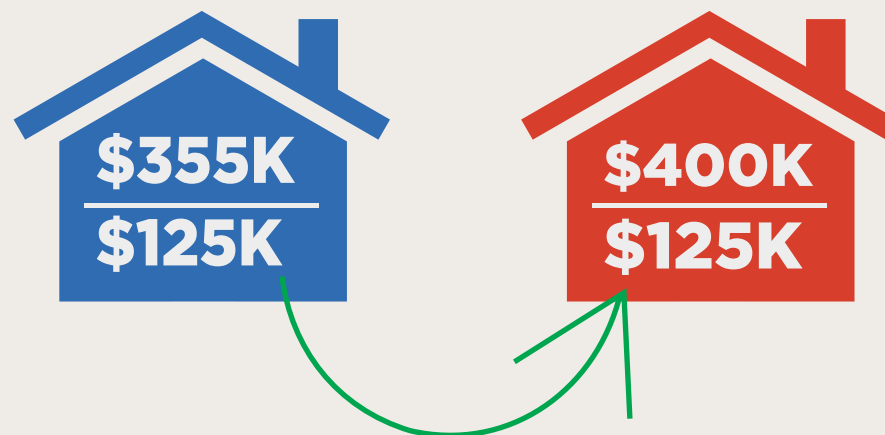
IP#1 = \$600K

Current Value = \$600,000

Current Loan = \$355,000

80% LVR = \$480,000

Equity = (\$480,000 - \$355,000)
= \$125,000



IP#2 = \$500K

Purchase Price = \$500,000

80% LVR = \$400,000 Loan Amount

20% Deposit = \$100,000

5% Purchase Costs = \$25,000

Total cost = \$125,000



You can go to the lenders and borrow against this property up to 80% LVR (sometimes more). The difference between 80% LVR and your existing loan, is the usable amount of equity available.

As long as you can pass the bank's serviceability requirements, you can release this equity in the form of another loan and the cash will be credited to your account which can be used as a deposit to purchase IP2 without any down payment from your own savings!



5. PROPERTY ROADMAP AND ACQUISITION

MAP AND ACQUISITION

Sometimes we need to restructure our portfolios along the way and they includes refinancing, paying down some debt or potentially selling some assets to progress further.

Speak to a strategic mortgage broker

who specialises in property investing and map out your property roadmap + financial modelling to understand how much you can borrow over multiple properties using a tiered approach.

Once you've determined financial capacity, we can build a property roadmap that fits your goals.

Then the fun part begins — research and finding the right assets!

6. CASHFLOW

Cashflow is the lifeblood of your portfolio.

Building a large portfolio for a long period of time requires good cashflows to continue holding and growing the portfolio.

There are number of things you can do to maximise your cashflows.

Here are some tips:

1. Set up loan structures on Interest-Only repayments
2. Review rental income appraisals regularly
3. Shopping around for quotes with repairs and maintenance
4. Refinance and restructure loans as needed to reduce holding costs
5. Maximise use of offset facilities



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WHY JD

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you have help.

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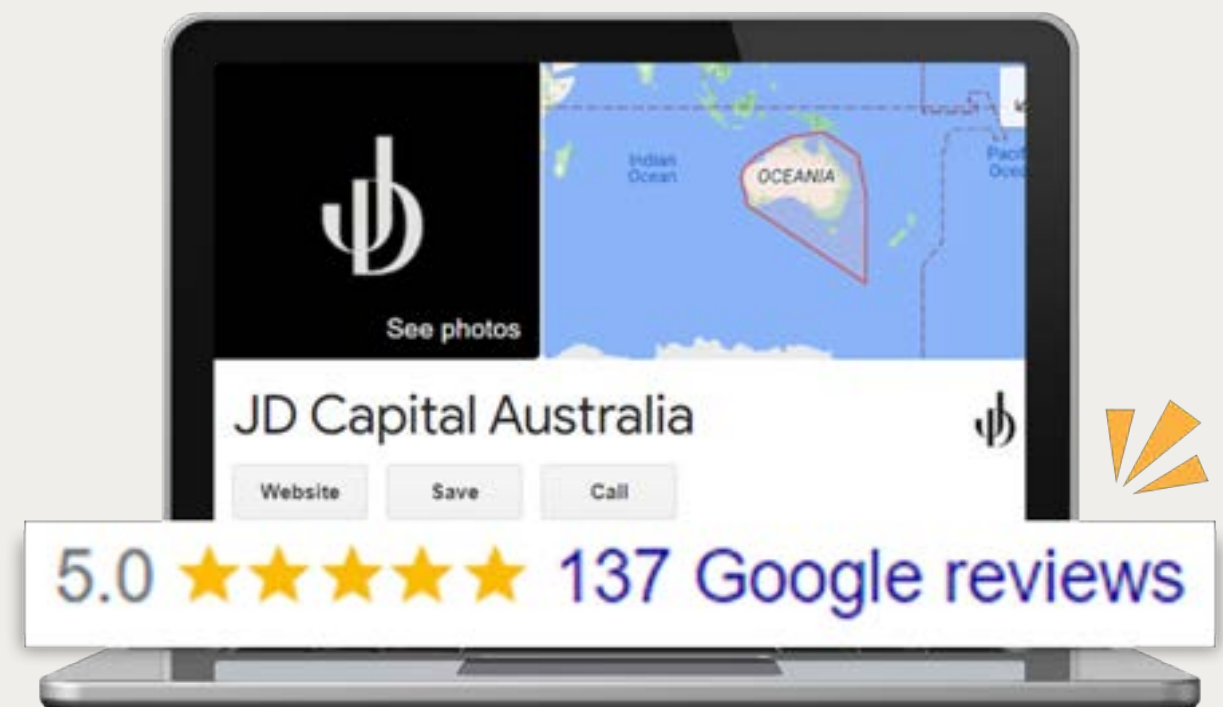
MORT



We're an **award-winning brokerage** founded by successful property investors.

We can help with:

- Maximising serviceability
- Optimising loan structures
- Build your property portfolio
- Refinancing
- Accessing equity
- Annual and portfolio reviews
- Strategic advice



We have received **130+**
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with proven results!

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