

Now to Quantify Income Restrictions

1. What's your taxable income now? \$ _____

2. What is expected rental income from new purchase(s)? \$ _____
(N.B. annual rent, not passive)

3. How much is the bank likely to shadow this income? _____ %
(What is percentage of rental income the bank will accept?)

e.g. Adjusted income from new purchase(s) - \$ _____

$$(\$30,000 \times 80\%) = \$24,000$$

100

4. Total Income for Serviceability \$ _____

Plug this number into any one of the major banks borrowing capacity calculators on the internet and determine my serviceability limit based on this income.

How much could I borrow based on this income? \$ _____

What is my Equity Capacity Limit? \$ _____

What is my Income Capacity Limit? \$ _____

Which one is the lesser? \$ _____

Notes:

Which one is my weakness?

What type of deal do I need to do to strengthen this weakness?
