

How To Leverage Your Knowledge For Big Profits
- *With Little or None of Your Own Money*

OTHER PEOPLES MONEY



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1. Negotiation
2. Lease & Sub Lease
3. Vendor Finance
4. Deal or No Deal – Practical Examples
5. Lease Options
6. Options
7. Joint Ventures

Analysts



- Cares About: Acquiring Facts and info
- Negotiation Mindset:
- Time = Preparation
- Silence = time to think
- Characteristics
- Methodical & Diligent. Hates Surprises
- Self Image tied to minimizing mistakes
- Prefers to work on their own
- Reserved problem solver
- Information aggregator
- Skeptical by nature
- May appear to agree when just agreeing to think about it
- Slow to answer calibrated questions
- Apologies have little value

Analysts



- **Views on Reciprocity:**
- Giving: They only give things they've already thought long and hard about
- Receiving: When they receive first they think it must be a trap
- **Tools to Use:**
- Labels, specifically to compare analysis, use data, use data to explain your reasons, no ad lib, use data comparisons to disagree



Analysts



- How to Get them Back:
- Show them you're ready to get something accomplished
- Worst-Type match
- Assertive

Accommodators

- Views on Reciprocity
- Giving: They are most likely to give something up first. Their giving isn't motivated by receiving.
- Receiving: They are flattered and take it as confirmation of a positive relationship



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Accommodators

- Tools to Use
- What & How calibrated questions focused on implementation
- How to get them back:
- An apology ("I'm sorry" is mandatory)
- Worst-Type Match:
- Accommodator



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Type 3. Assertive

- How They See Themselves:
- Honest, Logical, Direct
- How they may be seen by Others:
- Emotional, Aggressive, Harsh
- View of Business Relationships:
- Needs mutual respect: Nothing more or less



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Learn To Use



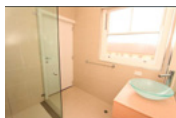
You can use keywords to search for valuable information. Consider:

- "Executive Leasing [insert suburb]"
- "Executive Rentals [insert suburb]"
- "Executive Rental Agency in [insert suburb]"

Come up with your own list of keywords to see what you can find out!



Campbell Parade, Bondi Beach \$ 1075 /wk 2 Bedroom + garage

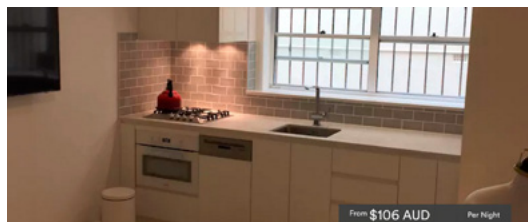


- Features include:
- stunning panoramic beach views
 - ultra-modern open plan gas kitchen with dishwasher and integrated fridge
 - oversized main bedroom with modern ensuite
 - both bedrooms with walk-in wardrobe
 - modern bathroom with bathtub.



AirBnB the Apartment

- similar location, not as good a property



Just cross the road to the beach!
Bondi Beach, NSW, Australia - ★★★★★ - 22 reviews

From \$106 AUD Per Night

Check In	Check Out	Guests
dd-mm-yyyy	dd-mm-yyyy	1



Adding Furniture and Styling

- Sometimes adding furniture and styling a property is sufficient to get an uplift in rental
- Do analysis on vacant rentals verses beautifully furnished rental
- Similar to executive rental but doesn't need to be as up market or selective in area

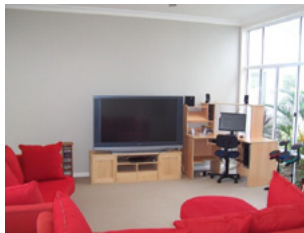


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**Amateur
Staging**



**Professional
Staging**

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**Amateur
Staging**



**Professional
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Start up cost \$8850 include bond, free Gumtree items, new purchase items and travels)

Out going per week

Rent per week	850
Bills, Internet and Insurance	80
Daily Goods	20
TOTAL	\$950

Incoming per week

Bedroom 1(Furnished)	230
Bedroom 2 (Cally's room) Ensuite	0
Bedroom 3 (Unfurnished)	240
Bedroom 4 (Furnished)	240
Bedroom 5 Attic (Unfurnished)	245
Bedroom 6 Attic (Furnished)	200
TOTAL	\$1,155



**Profit \$205/wk
+
Free Rent**

Second Deal

House specs.

- 6 bedroom single story house
- 2 bathroom with separate toilet
- 50 meters to Westfield shopping center
- 200m to train station
- Vacant for over a year
- Agent didn't care just wanted the place rented.



• **Start up cost** \$7550 (include bond, free gumtree items, new purchase items and travels)

• **Out going per week**

• Rent per week	1000
• Bills, Internet and Insurance	80
• Daily Goods	20
TOTAL	\$1,100

• **Incoming per week**

• Bedroom 1 (unfurnished)	220
• Bedroom 2 (furnished couple room)	300
• Bedroom 3 (Furnished couple room)	300
• Bedroom 4 (Furnished)	230
• Bedroom 5 (furnished)	210
• Bedroom 6 (Furnished)	200
TOTAL	\$1,460
Incoming - Outgoing=	\$360 profit per week

**Profit \$360/wk
or
\$17,280 with
48 wks rented**

Vendor Finance



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The History of Vendor Financing

1870s - 1920s

In the land boom years of the 1870s and 1880s which were fueled by the gold rush and the boom time exports of wool and wheat, property developers subdivided land for sale to meet the demand.

Some blocks of land were sold to buyers who built homes upon the land; other blocks of land were sold to property speculators who purchased the land for re-sale at a profit.

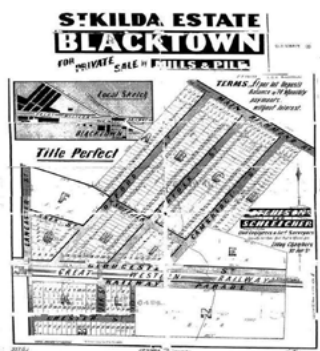
Bank finance was not freely available to buyers on vacant blocks of land, because banks were not comfortable with recovering their money if they lent on vacant house blocks.

Therefore, in the 1870s and 1880s, to sell their land property developers offered vendor finance terms which were typically $\frac{1}{4}$ of the price as a deposit, $\frac{1}{4}$ of the price after six months, $\frac{1}{4}$ of the price after 12 months and the final $\frac{1}{4}$ of the price after 18 months. Interest was payable at 6% p.a. on the outstanding amounts.

In the early 1890s, many banks collapsed as the weight of the property speculation and the great drought took their toll. Variations appeared to the vendor finance model. For example, here is a plan of subdivision at Blacktown, near the railway station, dated 1895.

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Reasons why people can't get a bank loan

- they have no established savings history
- they are new Australians
- they don't have a big enough deposit
- they can't prove their income
- they have credit problems
- they may have just gotten divorced
- or there may be a personal circumstance that they have spent their savings on



Is traditional financing a challenge right now?



Michael May's Deal



<u>Vendor Owes \$400k</u>	<u>My Offer After Research</u>
Broker got him 110% finance	\$440k Purchase Price
Now struggling for repayments	10 year settlement
Have been offered \$350k - \$390k	Take over mortgage repayments
	\$5000 per year deposit

The Result

- Renovated for Room by Room rental to cover repayments and \$5000 per year deposit
- According to GVA surrounding suburbs have been selling around \$500k to \$700k
- Worth \$650k after 2 years
- Now worth \$800k and am going through the process of settling this property



Another Example

- Leasehold Caravan Park
- 5.9 Acre (24,000 sqm) Site
- 60 Sites, 54 Permanents
- 3 Overnight Cabins
- **Approx 2.5 Acres UNDEVELOPED**
- Under Market Rent
- 15 Yr Lease



No Money Down Also

- 50% Vendor Finance / 50% Private Lend = No Money Down
- **Option to Purchase Freehold**
- Rundown – Plenty of Scope for Improvement



Where Could You Find These Types of Deals?



Sandwich Lease Example - Buy \$340,000

- Found on Gumtree
- 3 Bedroom House - selling at a discount
- Antonio's equity \$15,000 (Cash bit) **PAID**
- Antonio's loan \$325,000 (Debt bit)



Weekly Costs	
Mortgage	\$300/week
Outgoings	\$50/week
Total	\$350/week

PAID

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Sandwich Lease Example - Sell \$375,000

- 3 Bedroom House
- Upfront cash \$15,000
- Weekly payment of \$500 (includes \$100/week principle payment)



Sale	
Sell for	\$375,000
Option Fee	\$15,000
Balance Owing	\$360,000

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Sandwich Lease Example - Sell \$375,000

- Margaret pays Tim \$15,000
- Margaret currently owes \$360,000
 - Margaret pays \$500/week (\$100/week as Principle)
- \$100/week pays off house ≈ \$15,000 over 3 years
- Balance owing at 3 years ≈ \$345,000



Weekly Income	
Rent	\$400/week
Principle	\$100/week
Total	\$500/week

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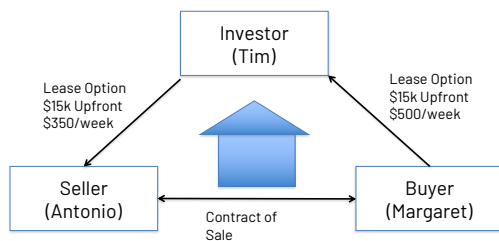
3 years later...

	Margaret	Antonio	Tim's Profit
Upfront	\$15,000	\$15,000	\$0
Cash flow	\$500/wk	\$350/wk	\$150/wk (\$23,000)
Back end	\$345,000	\$325,000	\$20,000
		TOTAL:	\$43,000



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Summary

- Money Invested \$0
- Number of Bank Loan \$0

How many of these can you do?

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What is an Option?

Definition:

The buyer has the right, but not the obligation to buy something from the seller at a certain time in the future for a certain price

Types:

Call Options
Put and Call Options





Why Use an Option

- You want to flip/on sell to a third party for an uplift
- You want to secure the site, but don't want to pay for it yet
- Secure multiple lots - clumping
- Delaying a purchase to a new financial year - Tax
- You don't know or have your buying entity yet





Buy it, without saying it...

How to Use an Option without saying the word...

- Not an exact science
- Keep it simple "Really Simple"
- Outline what you want
- K.I.S.S principle





Example of an Option

- 5 Year Option
- \$3mill Purchase price point
- 17,500sq metres Industrial 1 zoned land
- \$171 per sq metre
- Currently @ approx. \$3-350 sq metre

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What is a Joint Venture?

A JV is when two or more parties come together to achieve a common objective.



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Joint Venture (JV) – A Valuable Tool

“Have to” Vs “Choose to” JV’s

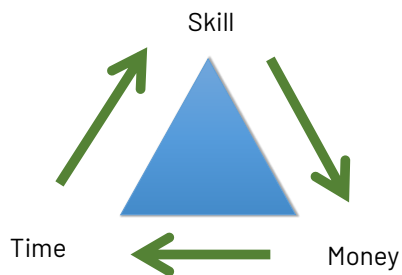
Choose to leverage your resources – time, knowledge, equity, or serviceability



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What are The Three Pillars?



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Four Types of Joint Ventures

- 1) JV with Seller
- 2) JV with Owner
- 3) JV with Investor / money partner
- 4) JV with professional / specialist



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What reasons would someone do a joint venture?



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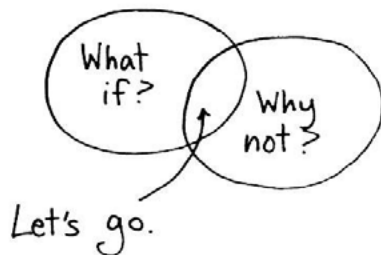
What reasons would someone do a joint venture?

- Some people have equity & serviceability but no time
- Some people equity & serviceability but no knowledge
- Some people have equity but no income
- Some have income but no equity
- Some people have no income or equity but have knowledge
- Some people can do more by pooling their resources – more deals or larger deals

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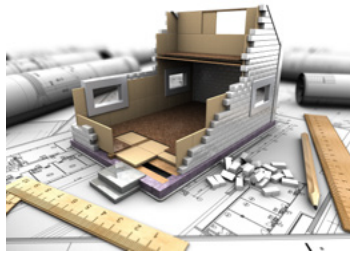
The Question becomes Why wouldn't you?



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What types of strategies work for JV's?



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What are the roles in a JV?

1. Doing - Working party - Has Time
2. Experience / Expertise / Knowledge party
3. Equity party
4. Serviceability party



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What are the roles in a JV?

You As Doing Party -

Responsible for -

- Finding deal
- Presenting deal
- Project managing
- Delivering the deal as proposed at beginning

Considerations -

- 1) Security e.g. caveat on purchased property
- 2) Paid during or at end - if paid during, more cash req. upfront
- 3) What if the deal makes a loss - do you have to contribute cash?



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What are the roles in a JV?

You As Equity Party -

- 1) JV partner - part of the deal, upside & downside risk exposure, split of profit/loss
- 2) Private money lender - fixed return on your funds - regardless of success of deal, loan agreement (& mortgage) in place

Considerations -

- Security provided e.g. caveat
- Contribute all funds up front
- How funds are returned if can't sell or re-finance



What are the roles in a JV?

You As Serviceability Party -

- 1) Need to be market ready
- 2) Future borrowing capacity may be reduced for duration of deal.

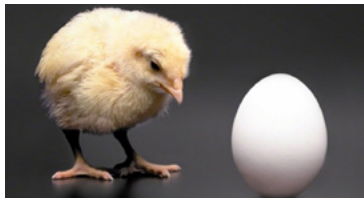
Considerations -

- On title & loan so need to lodge tax return, BAS?



The BIG Question...

What comes first? The deal or the JV partner?



The Deal or the JV partner? Pro's and Con's

JV Partner First

- Less stressful when looking & negotiating on deal
- Can have multiple JV's in wings
- Can take time to make decisions
- Match deal to JV partners capacity – equity / serviceability

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The Deal or the JV partner? Pro's and Con's

Deal First

- You have to make assumptions on location, price point & strategy e.g. assume \$450k purchase
- Know what \$ required by JV
- Time restrictions therefore more stressful
- Desperation – can result in poor decisions e.g. poor JV match or process not done thoroughly
- Uncertainty about what entity name on contract to secure deal

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The Deal or the JV partner? Pro's and Con's

Overall you need to:

- Spend time cultivating JV relationships at the same time as researching deals.
- Both take time so do it at the same time



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How do you find Joint Venture Partners?

Think of your potential partners like customers....
'who do they see before they come to you?'

E.G if you're in the business of selling honeymoon travel packages, you go to a jeweller that sells engagement rings and partner with them



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How do you find Joint Venture Partners?

1. Attend networking events where your target market is hanging out
2. Family and friends
3. I Love Real Estate Community
4. Mortgage Brokers
5. Accountants
6. Solicitors
7. Town planners / land surveyors / drafters etc.



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Build a Mini - Database

1. Build your own asset
2. Begin to make a list of people you can go to with opportunities
3. Nurture your list
4. Stay in regular contact and keep them updated to any changes / market updates etc.
5. Survey your list, find out what they want.



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You have them, so now what?

- Qualify your new prospective Joint Venture Partner
- Prepare and interview - treat it like a job interview!
- Assess their level of risk
- Once you have qualified your JV partner against your criteria, get them to see a strategist from WIZDOM.

*Ensure all decision makers are at meeting!



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What should you discuss?

- What are all the possible outcomes?
- Who will be responsible for making decisions?
- How often do you review the feasibility?
- What roles does each partner play?
- What type of structure will you create?
- Who will pay the bills?
- Who will set up a bank account?
- How often you intend on communicating
- Dispute resolution



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Ironed out all the creases?



Pacific Law
Checklist



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Communication is Key

- 1) You must be able to understand each other's expectations
- 2) Communication must be clear and concise
- 3) Be open and honest around challenges, setbacks & obstacles
- 4) Problem solve together



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Presenting a deal, how do you do it?

- Professional documentation / proposal
- Word Document / PDF
- Power point slideshow
- Webinar
- Video recording (screen cast)
- Boardroom presentation



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What would you include?

- Photos
- Feasibility
- Exit strategies
- Project timelines
- Area analysis & Planning zones & overlays
- Grid Variance analysis
- SWOT Analysis
- Risk factors and mitigation
- Plans or drawings already completed
- Artist impressions



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Joint Venture Documentation

1. **JV Criteria** – Who do you want to work with?
2. **JV Qualifying document** – Do they qualify to be your partner?
3. **JV Proposal document** – how do you present your opportunity
4. **JV Confidentiality Agreement** – Cabinet-in-confidence
5. **JV Agreement** – Outlines the expectations of each party
6. **Project Management Agreement** – The working party
7. **Roles and responsibilities template** – who does what

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Joint Venture Documentation

- Must be in writing
- Must be signed by ALL parties
- Preferably formalized by a lawyer & prior to starting the deal!



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1) Set your JV criteria

Money partner -

- The amount of equity/cash that is required
- What income/serviceability do they need to have?
- Character of the borrower

Working partner -

- Your price-point & location
- Experience / background / knowledge
- The strategy(s) being used
- Risk profile of Joint Venture



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2) JV Qualifying document

- Prospective JV approved through initial criteria
- Complete a detailed questionnaire / fact finding document requesting information
- Have them meet an WiZDOM Finance Strategist for a Finance Strategy & Review session

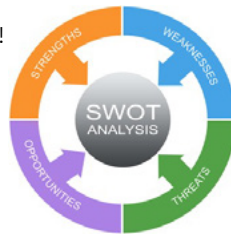


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3) JV Proposal document

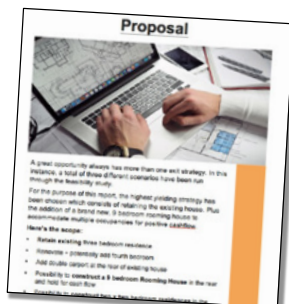
- Summary
- Proposal
- Stipulate a basic summary of the numbers!
- Suburb profile / Market research
- Summary of the opportunity
- Feasibility / offer different scenarios
- Capital requirements
- Cash flow
- Flow chart
- S.W.O.T Analysis
- Agent appraisals



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3) JV Proposal document



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3) JV Proposal document

Present a sample document -

- Use a deal that you recently missed out on
- Present a case study/deal that has been done in your target location
- Have it professionally edited/ designed
- Collect sample docs from builders/developers/investors for ideas

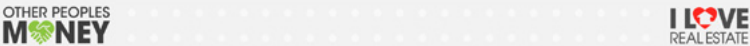
*Tip: keep it simple and easy to read





4) JV Confidentiality Agreement (Non Disclosure Agreement)

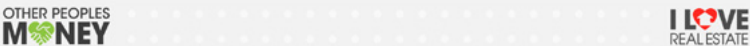
- A confidentiality agreement is a legal contract between
- at least two parties that outlines the confidential
- Material, knowledge, or information that the parties wish
- To share with one another for certain purposes.



JV documentation cont'd

- 5) Joint venture agreement
- 6) Project management agreement
- 7) Roles and responsibilities template

- Professionally drafted and finalised by a solicitor
- Include all possibilities
- Document the expectations of each party



Negotiating a fair profit split

Base on contribution e.g. -

- 25% = Doing - Working party - Has Time
- 25% = Experience / Expertise / Knowledge party
- 25% = Equity party
- 25% = Serviceability party

Easy to 50 / 50 split when -

- 1 party = experience + time + skill
- 1 party = equity + serviceability part



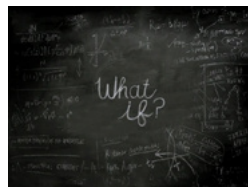
Should You Sell or Hold?

- Hold property on completion - have to refinance & payout working party (tax implications)
- Both parties hold some and sell some - may choose to sell 1/2 to each other to end up with standalone loans secured 100% by your own property.
- Quick way to build portfolio and create positive cash flow
- GST payable on sale if < 5yrs



Some of the 'What-if' Questions you should be asking -

- What if we make a loss?
- What if we run out of money?
- What if someone dies / gets divorced etc.?
- What if the doing party can no longer do?
- What if someone gets sued or goes bankrupt?
- What if it takes longer than expected?
- What if it doesn't sell?



Joint Venture with a Professional

What professionals could you be partnering with -

- Builder
- Project manager
- Project marketer
- Architect
- Engineers
- Town planner
- Or you if you are the professional



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Joint Venture with a SMSF

Seek proper specialist advice



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You have to ask yourself... Would you trust your JV partner to sign your cheques?



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What's possible when you join forces....

The deal:

- An Industrial site in Regional Vic
- Positive from the get go, around 8-9% return
- Purchase at \$1.5mill
- Challenge's - Short term Lease and being managed by the Vendor



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What's possible when you join forces....

- 3 Platinum Students Join Forces (WA)
- 1x Serviceability
- 1x Cash / Working Party and found the deal
- 1x Accountant, Legal, Finance (Working)
- 33% Split for ALL parties
- Positives - Long standing tenant, recently built new shed and have retained the Old shedding



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What's possible when you join forces....

- All partners working together for a end goal
- Currently holding with income and working thru Subdivision
- Clear exit strategy with Subdivision and Sell
- All partners able to exit at a given point in time



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How do you structure a Joint Venture?



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How do you structure a Joint Venture?

- 1) Equal party contributions
- 2) Unequal party contributions
- 3) Money partner and worker

MUST GET LEGAL & ACCOUNTING
ADVISE IN ADVANCE



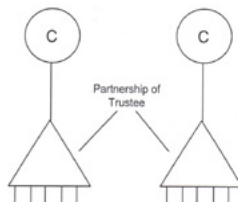
INVESTOR PACIFIC STRUCTURES

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Structuring JV's – 1) Equal Contributions

- A) **Partnership** of 2 Discretionary Trusts
- Each would have a corporate trustee ©
 - Property would be owned as **tenants in common** between the trusts.



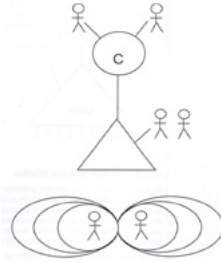
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Structuring JV's - 1) Equal Contributions

B) New Corporate Trustee

- Does not allow for fractional or uneven ownership.
- Slightly easier to finance than A)

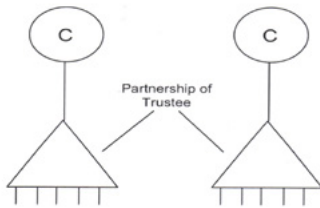


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Structuring JV's - 2) Unequal Party Contribution

- A) Can be done as **tenants in common** using a partnership of two discretionary trusts

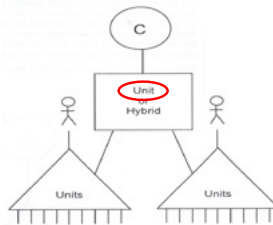


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Structuring JV's - 2) Unequal Party Contribution

B) A **unit trust** can be formed with a corporate trustee, with the units held in a discretionary trust (Piggy Bank Trusts).

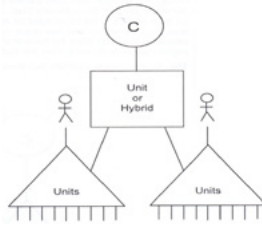


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Structuring JV's - 2) Unequal Party Contribution

Can have a few **Capital Gains Tax problems** e.g. treated as fixed trusts and **may not be entitled to the 50% exception** for owning a property for more than 12 months.

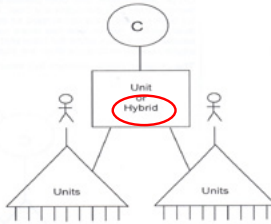


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Structuring JV's - 2) Unequal Party Contribution

C) **Hybrid Trust** - which would eliminate any CGT issues
Hybrid trusts can be **difficult to Finance**.
Percentage ownership can be distributed in what ever proportions are agreed upon between the Piggy Bank Trusts.

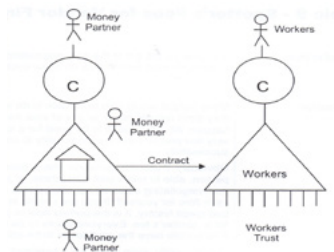


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Structuring JV's - 3) Money Partner & The Worker

Money partner does not need the worker partner on title or on the loan in order to buy the property.

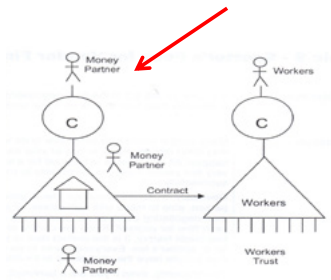


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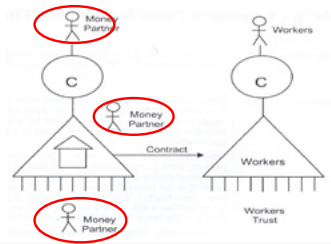
Structuring JV's - 3) Money Partner & The Worker

Money partner would form a corporate trustee with a discretionary trust & the trust would own the property.



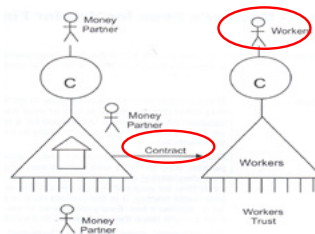
Structuring JV's - 3) Money Partner & The Worker

Money partner named as primary beneficiary & appointor, & Director of corporate trustee.



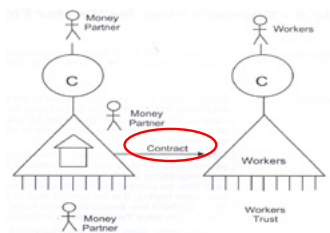
Structuring JV's - 3) Money Partner & The Worker

A contract would be drawn up between the company as trustee for the discretionary trust, with the workers personal Company as trustee for a Discretionary trust.



Structuring JV's – 3) Money Partner & The Worker

The worker's trust would be protected by **contract** which would outline the **duties & responsibilities** of each party, & the agreed upon distribution of profits.

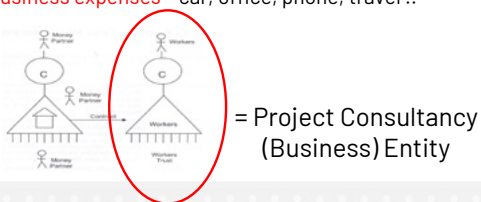


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Structuring JV's – Business Structure

- Ultimately want a **Project Consultancy Entity** that runs your property consultancy business e.g. worker in the JV – entity never owns property
- **Paid fees**, not profit split, hence **legitimate income** = serviceability for future lending
- **Claim business expenses** – car, office, phone, travel ..



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Seller JV's

- The number ONE untapped strategy in Australia today!
- Not every deal has seller JV potential



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Vendor or Seller JV Deals

- Using Talents instead of money
 - Landscaping / Handyman
 - Subdivisions
 - Strata
 - Renovation
 - Even building



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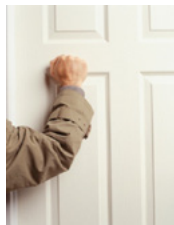


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Create a List of Properties

- Choose your turf and a strategy that will work
- Walk up and down the streets noting down properties that match your search
- Record each property in a spreadsheet!
- Write each owner a letter or door knock



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Seller JV Example

- Price too high
- Needed to move
- Couldn't Sell
- What could I offer?



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What Characteristic to look for in Seller JV Deal

- A seller with a limitations
eg - money
- knowledge
- time
- A seller with flexibility in outcomes
(Age can be an advantage)
- A business person as the seller
- SHOW ME THE MONEY PERSON
- A seller with a badly presented product
- A seller with no clue
- A seller who can't sell



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Examples of Potential Seller JV Deal

Maybe there is a reason it's not selling?



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Example of Potential Seller JV Deal

Can You Help Her?

- Reverse Mortgage her home in her 80's
- Now over 90's and banks want to call in her loan
- Fear that she will be kicked out and no where to live
- Forced out of her comfort area

The Offer From Our Student...

- Purchased home at market price
- Life-time tenancy at the property
- Permission to subdivide property and sold it to local developer within a few weeks
- Positive Cashflow property to hold



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The Benefits

- No holding costs
- No deposits
- No Banks
- No limitation on price point
- No limitation on volume
- All you need is your own SMARTS



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Examples of Potential Seller JV Deal

Example
Landscaper



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Examples of Potential Seller JV Deal

What is the potential if you see a sign like this?

- Make a deal if you see this sign
- Offer to rent with an option to buy
- Find a deal that is in need renovating, or subdividing, or re-zoning, or in a good growth area



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Examples of Potential Seller JV Deal



Needs TLC!

Bendigo \$ 260,000 - \$290,000

\$264,000 (80.0 % of median)
On the Market for over 12 months

Renovate or start from scratch

This property is set on a 694m² block and is situated only 2km's from Bendigo's CBD and very close to sporting grounds, schools, pubs and shopping centers. The options are for you to renovate the existing house or to start from scratch and build a new home or 2/3 townhouses.

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Vacant Commercial



- From 1,800sqm up to 4,741sqm
- Fenced and secure 7,922sqm site
- 3,463sqm sealed hardstand
- Great access via multiple roller doors
- Multiple overhead gantry cranes
- Great exposure to Compton Road
- Tenant relocating, inspect today!



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Old under market rental secured on an option

Freestanding 2 stories Commercial building
Downstairs: shop plus storage, kitchen and toilet
Upstairs: 5 bedrooms and a bathroom rear access to street
Good Opportunity for own business and investment

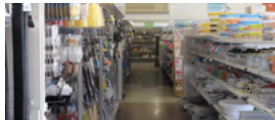


Rent total \$800 p/w
Potential for improvement/ Reno and increase / separate rents
Sale price likely to be in the 500's

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Buy Business Real Estate - under market



\$695,000 Neg.

Business and stock are included in the price as well as a 4 bedroom home which you can live in or rent for extra income.

The business is carrying over \$100K in stock and \$50K in fixtures. Owners are happy to have a changeover period so you can learn the business from start.

This is a highly profitable business and owners are selling for genuine ill health reasons.
PRICE NEGOTIABLE

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1618m² "double' block Development Potential

Ripe for an upgrade or leave with a tenant until you are ready to subdivide!

This Chamferboard home has 4 bedrooms a main bathroom, combined living and dining plus a separate kitchen.

Kingaroy listed 15/4/2015 \$199,000 (62.2 % of median)



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Spotters / Finders Fees

- Sourcing deals on behalf of other investors / developers
- Form an ultimate buyers list
- Okay for the first one or two but after that it's likely you would need a Real Estate license
- Partner with a Real Estate Agent to move on deals
- Use for referrals when selling a property



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Spotters / Finders Fees

How does the remuneration work?

- Spotter can charge a fixed fee agreed on at the beginning
- Percentage of the purchase price
- Buyers agent charges between 1% - 3.3% of purchase price
- Ensure the agreement is in writing through a legal practitioner

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A Good Deal?

Spotter/Referral With An Agent

- GVA to find target area
- Letterbox drop for subdivision sites
- Huge replay from interested Vendors
- However Vendor price expectations were too high
- Feasibility did not stack up. So what to do?
- Refer these Vendors to the best Real Estate Agent in the area for a Spotter/Referral Fee
- Result? Built a good relationship with the Agent



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A Good Deal? Cont...

The Agent Brought Me A Deal

- 1.5 Acres Zoned Mixed Use
- 3 Street Frontages with connections
- Neighboring Blocks Subdivided was sold for \$60k at 800m² size.
- Asking price \$150k – purchased Oct 2020
- Plan – 6 lot subdivision, keeping triangular block and selling 4 rectangular blocks.
- Money back + Profit + Free Block



Would You Pay \$10k, \$20k or even \$50k for this Deal?

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Syndication



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Syndication

- Use Multiple investors for a single deal
- Good for 3pax, 4pax, 5pax deals plus
- Every syndicate member keeps a property at cost
- Charge a project management fee or profit share arrangement or both
- Be mindful of financial laws, rules and regulation

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Crowdfunding for Property

What is Crowdfunding?



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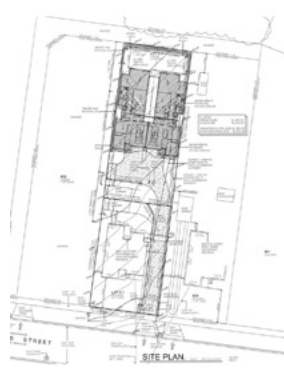
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Dep. Finance / Sub/ Reno / Build



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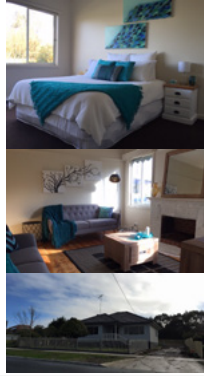


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Staged Development

- Step 1: Negotiate the deal
- Step 2: Design
- Step 3: Subdivision + Renovation
- Step 4: Sell existing house
- Step 5: Construction at rear
- Step 6: Sell or hold at completion



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The Numbers

Purchase Price	\$260,000
Purchase Costs (Stamp duty etc.)	\$16,208
Strategy Costs	\$22,250
Renovation	\$23,000
Construction Costs	\$440,000
Total Costs	\$761,458
Total Sales	\$920,000
Less Sales costs	(\$27,600)
Approx Net Profit	\$130,942
Profit on Costs	17.2%

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No Money?

Australia's 9.6 million residential properties are worth \$5.9 trillion at the end of the September quarter 2015.

Total Mortgage Values in Australia are \$1.4 trillion dollars.

Source: Core Logic
Source: ABS



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What is your Target Strategy??

- How are you going to implement the first step?
- What's your challenge?
- Write it down and Action it!!!



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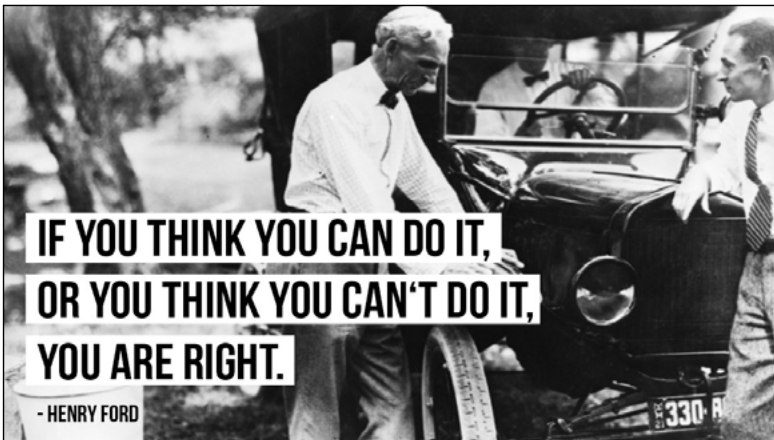
What will make the biggest difference?

Shifting you own psychology and changing what you believe...



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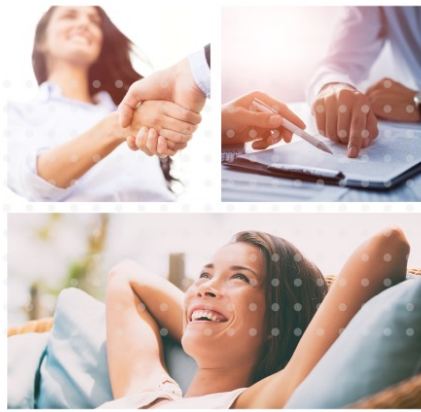
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QUESTIONS?



How To Leverage Your Knowledge For Big Profits
- With Little or None of Your Own Money





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JV Qualifying Document

JV Qualifying Document

Personal Information

Name: _____ **Age:** _____

Partner Name: _____ **Age:** _____
(If applicable)

Location (Suburb): _____

Family Status: _____
(Married, children, partner etc.)

Work Status: (Current job, previous experience) _____

Qualifications: _____

Current Living Arrangements: (PPR, renting) _____

Financial Information

Occupation: (How do you currently earn an income?) _____

Income: (What do you currently earn per annum – in Gross figures?) _____

Employment: (Are you employed or self-employed?
If self-employed – how long for/list business type?
If employed please include employers details) _____

Market Readiness: (Are you market ready e.g. tax returns up to date, loan ready, wills, any structures set up etc.?) _____

Savings: (Do you have any savings? If so – how much?) _____

Property:

(What property do you currently own?)

Equity:

(What equity do you readily have available?)

Property Experience:

(What experience do you have in real estate?)

Market Readiness:

(Are you market ready e.g. tax returns up to date, loan ready, wills, any structures set up etc.?)

Existing Team:

(Do you have a broker, Accountant, Solicitor etc. – and if so who are they?)

Goals and Targets

Short Term Goals:

(What would you like to achieve within 12 months?)

Medium Term Goals:

(What would you like to achieve within 2 – 3 years?)

Long Term Goals:

(What would you like to achieve 5 years from now?)

Target Strategy / Location:

(Any initial ideas on a particular strategy? Are you location specific?)

Additional Information

Is there anything else you want to add, or think we should know e.g. any current deals or Joint Ventures in progress etc.?

Additional Information:

(Please type in below)

-



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JV Proposal Document



Phone

P |
M |



Email

E |
W |

**Insert Trading Trust
Logo (if applicable)**

Investor Report

Address:



Prepared By:

Insert name

Insert Trading Details

ABN

PHONE NUMBER

TRADING NAME

Write two or three paragraphs summarising this document.

<Insert signature>

<Insert name>

<INSERT PHOTO>

Contents

PROPOSAL | 3

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CASH FLOW ANALYSIS | 6

CAPITAL REQUIREMENTS | 7

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PLANNING INFORMATION | 13

TESTIMONIALS | 16

WHO ARE YOU? | 16

CONTACT | 20

Proposal



- In this section summarise the deal / proposal. This is an opportunity to use dot points explaining the deal and the overall benefits.

Location



OVERVIEW

Station : 1.4 KM

Freeway Access: 0.7 KM

Shopping Centre: 0.9 KM



Include a brief description of the suburb.

Photos

<INSERT PHOTOS OF THE PROPERTY & THE AREA>

Feasibility Report

<Insert full snap shot of feasibility study (one page)>

PHONE NUMBER

TRADING NAME

Cash Flow Analysis

UPON COMPLETION – HOLD

	Operations	Rooms	Vacancy Contingency	P/Week Revenue	P/Annum Revenue
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
TOTAL REVENUE				\$	\$

OUTGOINGS

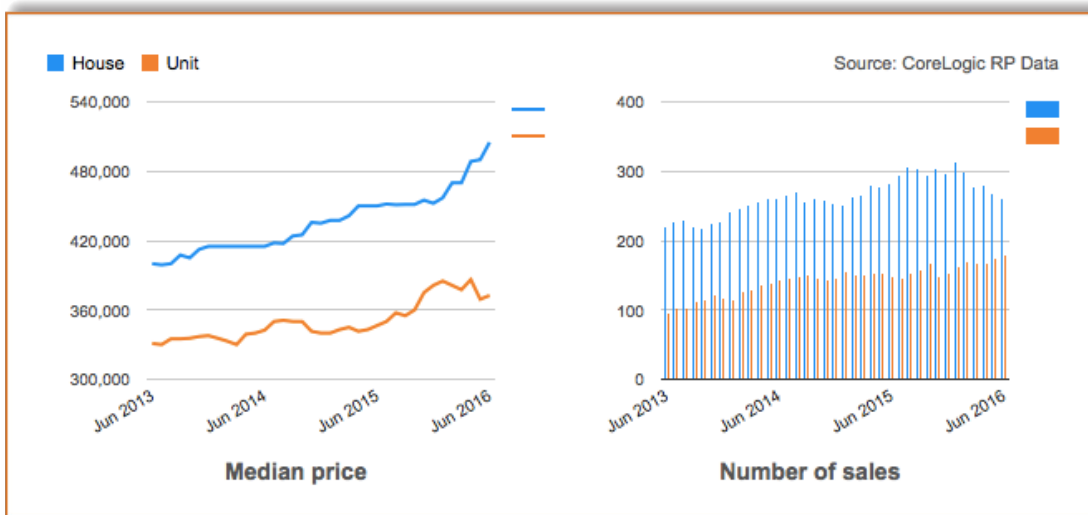
Interest on Loan	\$	\$
Insurances	\$	\$
Accounting	\$	\$
General Maintenance	\$	\$
Council Rates	\$	\$
Land Tax	\$	\$
Gardener	\$	\$
Wireless Internet	\$	\$
Management Fees	\$	\$
TOTAL OUTGOINGS	\$	\$
TOTAL CASH FLOWS	\$	\$

Capital Requirements

CAPITAL REQUIRED - TIME LINE		
Month	Description/Stage	Amount
April '16		\$
May '16		\$
June '16		\$
July '16		\$
August '16		\$
September '16		\$
October '16		\$
November '16		\$
December '16		\$
January '17		\$
February '17		\$
March '17		\$
April '17		\$
May '17		\$
June '17		\$
July '17		\$
TOTAL CASH REQUIRED		\$240,072.00

Suburb Profile

<INSERT SUBURB PROFILE DETAILS & GRAPHS>



	HOUSE	UNIT
Median price	\$505,000	\$372,500
Quarterly growth	6.09%	-1.32%
12-month growth	11.91%	6.43%
Average Annual Growth	7.24%	5.27%
Weekly median advertised rent	\$360	\$300
Number of sales	260	179
Gross rental yield	3.71%	4.19%
Day on market	38.34	56.19

Insert relevant information here regarding the Suburb, profile statistics, demographics, infrastructure, and anything else unique.

MARKET DATA

THREE BEDROOM HOUSE IN
S.....

MEDIAN HOUSE

\$505K

DAYS ON MARKET

38

AUCTION CLEARANCE

75%

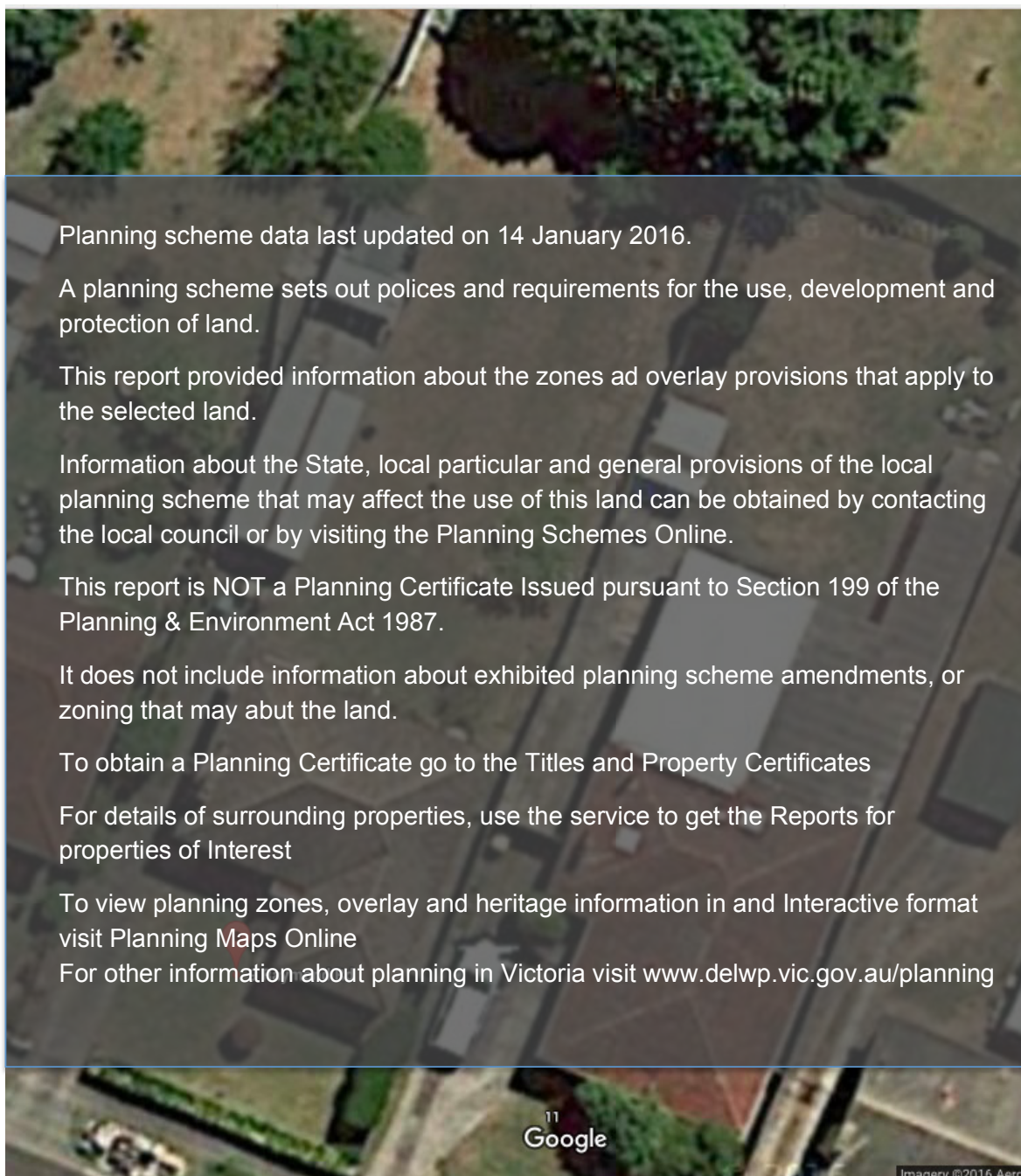
SOLD THIS YEAR

260

**Source: data collected from Corelogic RP Data magazine*

Comparable Sales Data

Planning Information



Planning Zones

Planning Overlays

Testimonials



<NAME>

<TITLE>

<Insert testimonial here>

I'm ready for the next one!

CONGRUENCY

<Your name>

Your Title and/or Trading Name

<Insert a description of yourself, achievements and experience.

<INSERT A PHOTO OF YOURSELF>

PHONE NUMBER

TRADING NAME

THANK YOU FOR YOUR BUSINESS



ADDRESS

Address |



PHONE

P |

M |



EMAIL

E |

W |

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