

PLATINUM

June 2024

Cash Cow

Mastermind
Event

Brisbane

**Dr. Tamara Read, Nicolle Beer
& Christine Hamilton**
QLD State Coaches



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Event Outline -

- 6:00 – 6:30 Networking
- 6:30 - Start
- 6:30 – 6:45 Housekeeping
- 6:45 – 8:00 Accountability
- 8:00 – 8:30 Networking Break
- 8:30 – 10:30 Cash Cow

Workshop Format

- Use microphone
- Involve everyone in the conversation
- Be supportive
- Feel free to order food and drinks downstairs



WELCOME NEW PLATINUM'S



- Bernardine Leth
- Shev Becker
- Janelle Miley
- David Skinner
- Brendan Dowd
- Jason Baker
- Helen Meader*

* Platinum Elites

Housekeeping



2024 DATES

- 1) Monthly Dates (Tuesday's)

@ Amora Hotel 6pm start

- ❖ 16th July
- ❖ 6th August
- ❖ 3rd September
- ❖ 8th October
- ❖ 5th November
- ❖ 3rd December

**** Parking
beneath
venue via
Cousins
Lane**

- 2) PA Nationals - **RSVP**
 - ❖ **2-5th July Phuket**
 - ❖ 29-1st Dec Twin Waters

- 3) Ultimate Bootcamps (Live Only)

- ❖ 16 -18th Aug Perth
- ❖ 6 - 8th Sept Melbourne

- 4) Ultimate Other

- ❖ 20-21st July MW - Melbourne
- ❖ 15 – 17th Nov Super Conf Bris

- 5) Quantum

- ❖ Check Website

THAILAND – JULY 2024 National Conf - **RSVP**

Date: Tues 2nd to Fri 5th July 2024

Venue: Pullman Phuket Arcadia
Karon Beach Resort Thailand

Travel: Fly to Phuket International
Airport – 50min drive to Resort

Costs: Students to pay own flights,
transfers, accommodation, &
meals outside of conference
meals & Gala dinner

Accom Booking: Venue will offer
discounted rate on accom
booked via Knowledge Source

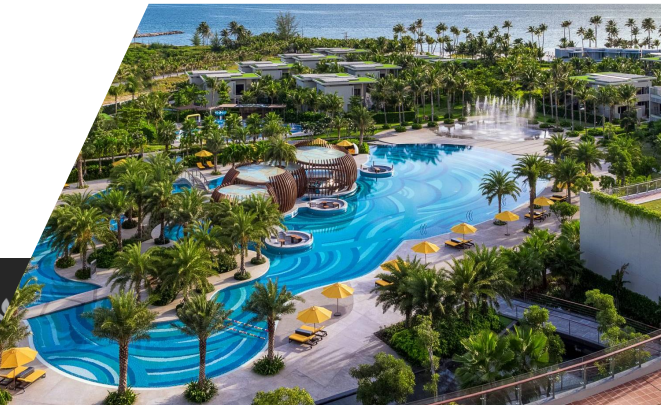
Event Booking:

<https://iloverealestate.tv/pnc-thailand-2024-registration/>



THAILAND – JULY 2024 National Conf

- ❖ NON-PLATINUM LIFE PARTNERS/SPOUSES CAN ATTEND GALA DINNER
- ❖ COST IS \$100
- ❖ CAN BOOK NOW VIA MOW – SCHEDULE TAB > PLATINUM
- ❖ <https://iloverealestate.tv/pnc-thailand-2024-thank-you/>
- ❖ Children are not able to attend, only open to Life Partners/Spouse
- ❖ **Registrations Close: Friday 7th June 2024**
- ❖ *****If you do not have a Confirmation Email, you are NOT booked in*****



THAILAND – JULY 2024 National Conf



- ❖ **Vision Board**
 - ❖ Easiest done in Powerpoint
 - ❖ No personal identifiers on it e.g. no photos of yourself or your family, no name on it
 - ❖ A4 colour printed & laminated
 - ❖ Place in sealed envelope with your name & State clearly written on the front of the envelope
 - ❖ Bring Tuesday morning & hand to coach
- ❖ **5 Year Re-union** – Tuesday Night – Dress as your 5 year persona
- ❖ Gala Dinner – **Tux & Tiara** Ball - Thursday Night



THAILAND – Tuesday

- ❖ Pool Hangout with Coaches
 - ❖ 12-4pm at the pool
- ❖ Platinum Elites – 1/2hr One-on-one with Dymphna
 - ❖ Those at venue at 1-4pm – nominate yourself tonight to go in the draw





Raw Impact Charity Partnership

- ❖ Non-attendees – Can Donate \$ and / or Resources (List to come)
- ❖ Resources Coordination – Key Person – Nominations Please Per State



Money Mind Mastery



Designed to tackle the top 4 Mindset issues that affect ILRE students.

Creating momentum toward success!

All sessions starting 7pm
Melb/Syd Time

- ❖ June - Nil
- ❖ 29 July
- ❖ 26 Aug
- ❖ 30 Sept
- ❖ 28 Oct
- ❖ 25 Nov

Platinum Student Meetups

- ❖ PA Website / Platinum Schedule
- ❖ Must have your Facebook account / profile open to access the links

PLATINUM ACCELERATOR

[Home](#) [Education](#) [Meeting Recordings](#) [Coaches & Contact](#) [Platinum Schedule](#) [Community](#)

PA Student Meetup Groups

These Student Meetup groups are for ALL Platinum students only, both past and present. They are organised by Platinum students to facilitate networking between Platinums and staying connected with the awesome Platinum family. Typically they occur between the PA Monthly Meetings.

NOTE: You MUST have your Facebook Account/Profile open to access these links.

Brisbane Student Meetup



Student Organizer – Magen Humphreys

Click on the link below to access the Platinum Accelerator Facebook Events for each Brisbane Student Meetup. All of the upcoming dates, location, times and RSVP information is in these events.

[Brisbane Student Meetup](#)

Sydney Student Meetup



Student Organizer – Dindy Lukic

Click on the link below to access the Platinum Accelerator Facebook Events for each Sydney Student Meetup. All of the upcoming dates, location, times and RSVP information is in these events.

[Sydney Student Meetup](#)

Melbourne Student Meetup



Student Organizer – Aygun Ozkan

Click on the link below to access the Platinum Accelerator Facebook Events for each Melbourne Student Meetup. All of the upcoming dates, location, times and RSVP information is in these events.

[Melbourne Student Meetup](#)

Perth Student Meetup



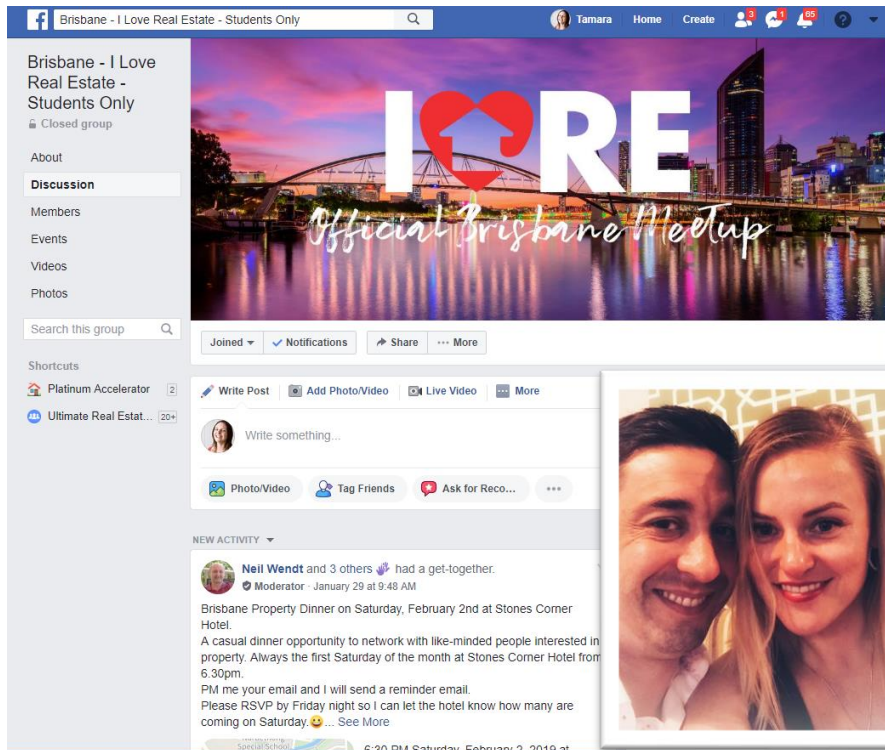
Student Organizer – Basia Garbowska & Heath Worlton

Click on the link below to access the Platinum Accelerator Facebook Events for each Melbourne Student Meetup. All of the upcoming dates, location, times and RSVP information is in these events.

[Perth Student Meetup](#)

ILRE Student Meetups

- ❖ Info & RSVP: Ultimate Website / ILRE Community / ILRE Brisbane Meetup / Link to FB Page



GRADUATING PLATINUMS



- Maria Wolfenden

* Platinum Elites



STUDENTS OF THE MONTH

PLATINUM

Negative Emotions



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Negative
Emotions
and why
they affect
Success.

Negative Emotions

- Being able to manage our emotions can:
- help you to deal with problematic events and difficult situations
- come to better long-term solutions.
- allow you to better identify your emotions and learn how to deal with them .
- allow you to control your feelings and emotions instead of letting them take control of you.



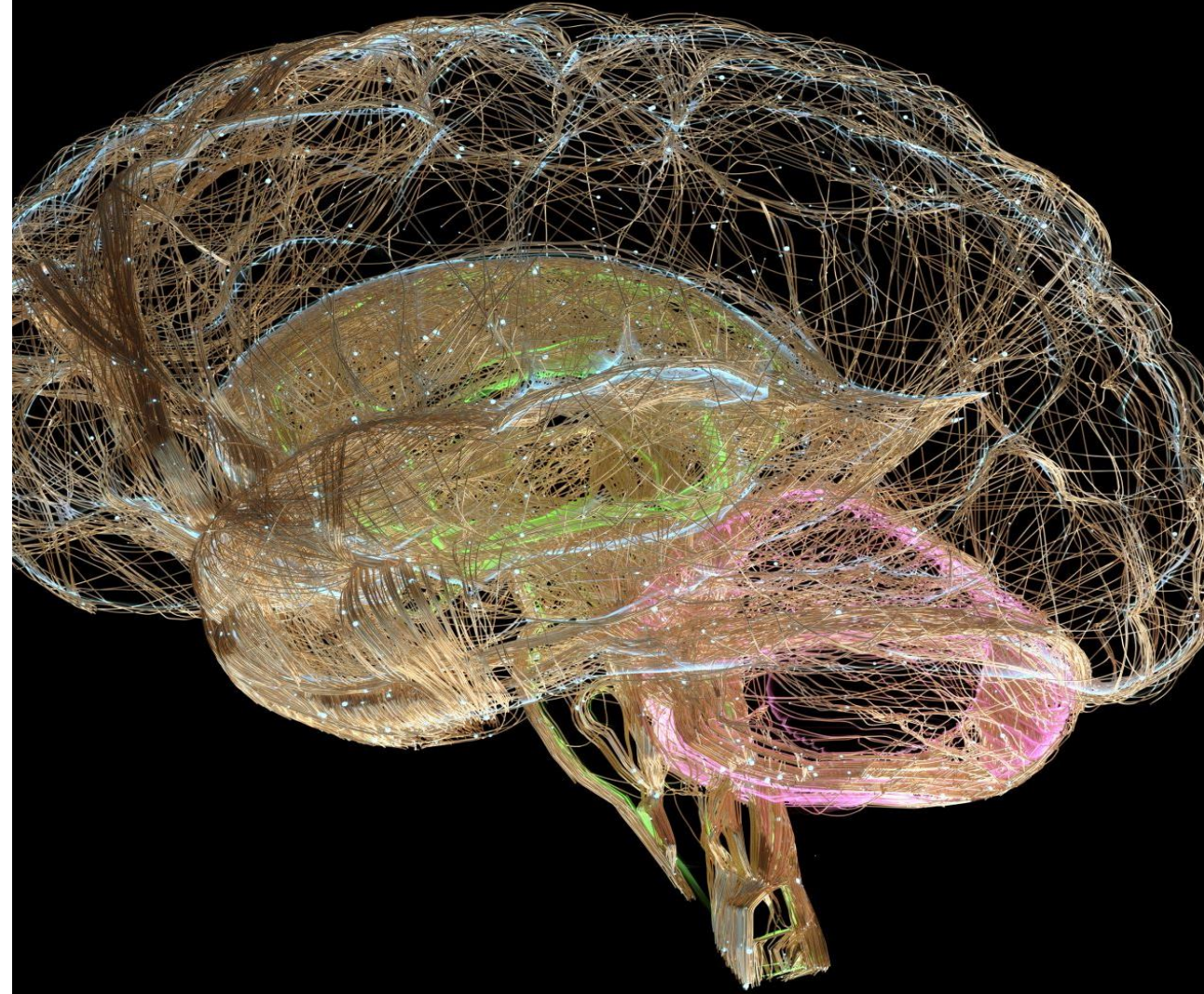
Negative Emotions

- Emotions are powerful forces.
- Determine our outlook on life
- Shape our behaviour and responses
- Allow us to empathize with other humans, essential for connection!
- The emotion you feel on a given morning generally shapes your outlook throughout your entire day!



What are emotions?

- As far as brain development goes:
- The neocortex, (our logical thinking part of our brain) grew from the Limbic system (the emotional centre of the brain.)
- All information coming in from our environment is filtered through our limbic system first, BEFORE it reaches the neocortex.



What does this mean?

- When we see a tiger approaching our first EMOTIONAL instinct is run away without thinking
- Not stand around to examine and analyse logically whether the tiger is Bengal or Siberian!
- In the same way, we run away from our problems, instead of analysing what it is specifically that is causing us to feel unsafe!



Now, the emotion
that our students
find the biggest
problem in their
Platinum journey is:

FEAR!



Fear

- In our modern world when our limbic system sets off alarm bells associated fear, it prioritises the safety of the body over anything else,... **including our thoughts!**
- If we are needing to make critical decisions while feeling anxious or fearful, **our logic and solution focus is impaired.**
- **Decisions are more likely to be short-sighted** and focused on immediate safety and comfort rather than long-term goal-oriented solutions.
- **How do you think that this would affect Success?**
- Fear paralyses us, even when we are making decisions and taking action despite it, those decisions and actions are not as clear sighted as they need to be...

Reactions to Fear: Fight

- Fear causes us to fight and defend ourselves
- when we may need to be asking more questions to resolve the issue instead



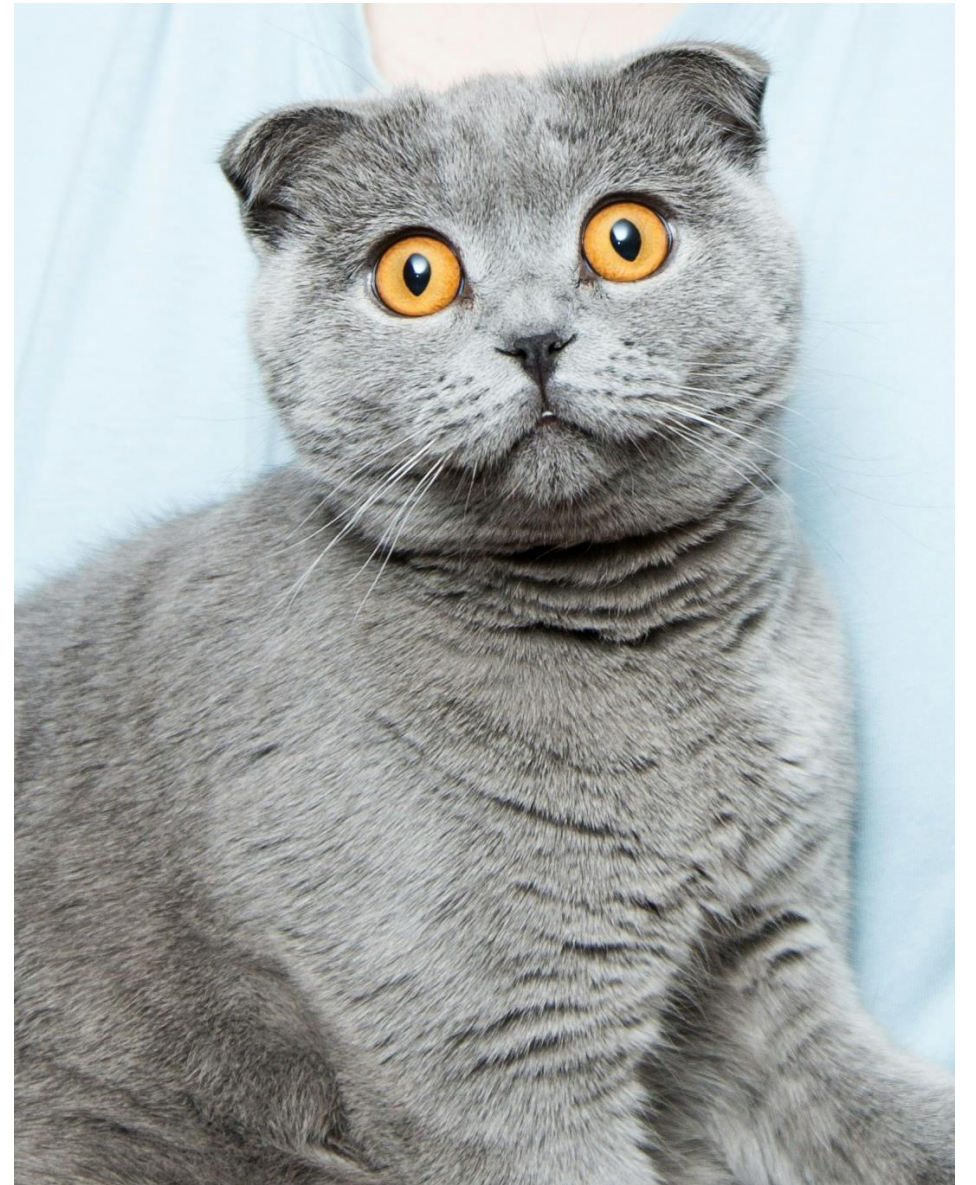
Reactions to Fear: Flight

- Fear causes us to avoid and run away from situations
- at times, those situations may need our close attention and considered action instead



Reactions to Fear: Freeze

- Fear causes paralysis and procrastination
- Fear causes us to freeze and hesitate when confronted with important decisions.



Reactions to Fear: Fawn

- Fear causes us to capitulate too quickly,
- give in to others,
- or avoid important conflicts,
- instead of standing our ground on important issues.



So, what do we do about it?

Rename fear as LACK!

- A lack of information
- A lack of experience
- A lack of support
- A lack of confidence



What do we do about a lack of information?

- Getting more information about something can reduce our uncertainty fear by almost 50%
- Easiest way to allay fear and make better decisions....
- **So, ASK MORE QUESTIONS!**



What do we do about a lack of experience?

Leverage off the experience of an experienced mentor

“Action will remove the doubts that theory cannot solve.” - Tehyi Hsieh

But, sometimes, we just need to take the leap!



What do we do about a lack of support?

- Find and discern who are the best people to help us in our situation, even if we just need a bit of encouragement
- Be prepared to pay for good advice





What do we do about a lack of confidence?

If we are finding the right information, Taking the right action, and leveraging the right kind of support.... Then confidence follows naturally!

- If not... then we need to:
- Clear Negative Emotions
- Clear Negative Beliefs
- **Do the 12 Week Transformation!**

Dealing with Negative Emotions : FEAR



Rename fear as LACK!



Seek Information



Gain Experience



Gather Support



Reap Confidence!



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Accountability
Monthly Goals



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Buddy Process Follow-Up



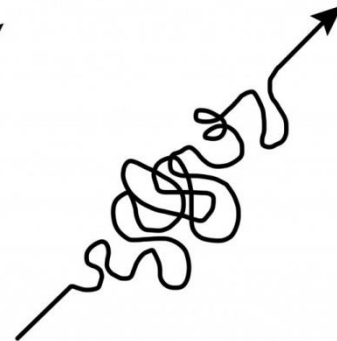
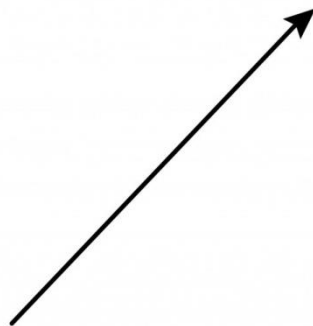
- Groups of 3 – people you don't know
- Active Platinum Partners split up (Non-active partners stay together)
- Exchange Mobile No.
- Schedule to “TALK” weekly
- Finishing students partner together

Last Month In Review

Share Your Successes and Challenges

SUCCESS

SUCCESS



what people think
it looks like

what it really
looks like

This Months Plan

Share Your
Key Goals For Month

Monthly
✓
goals



Tea / Coffee Break

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Cash Cow



Fundamental Characteristic of a Cash Cow?

- Income Greater than Expenses

it's all
ABOUT the
NUMBERS



Activity - Cash Cow Analysis

❖ List calculations important when analysing a cash cow?

1) Cash Flow Analysis –

- a) Feasibility
- b) Value Add
- c) Sensitivity Analysis

2) Deal Analysis -

- a) Value Add Potential
- b) Funds Required

3) Refinance Analysis-

- a) 80% LVR

4) Opportunity Cost Analysis

- a) Metrics
- b) Property Analysis Spreadsheet

See PA Website - Ultimate Wednesday Webinar – April 2019



The Deal – Indirect Cash Cow

- Purchase Price: \$285,000
- Purchase Costs: \$17,000
- Rates: \$2100 / year
- Insurance (House & Contents): \$550 / year
- Landlord Insurance: \$300 / year
- Management fees: 7.7% incl GST
- Letting fee: 1 week rent plus GST
- Maintenance: \$1000 / year
- Rental (unreno): \$290 / week
- Rental (reno'd): \$350 / week
- Rental for Granny Flat: \$310 / week
- Renovated existing end val: \$375k
- Unrenovated with granny flat end value: \$405k
- Renovated with granny flat end val: \$495K
- Renovation budget: \$26K
- Granny Flat Build (turn key) Incl. certification etc: \$120K

The Deal




The Deal



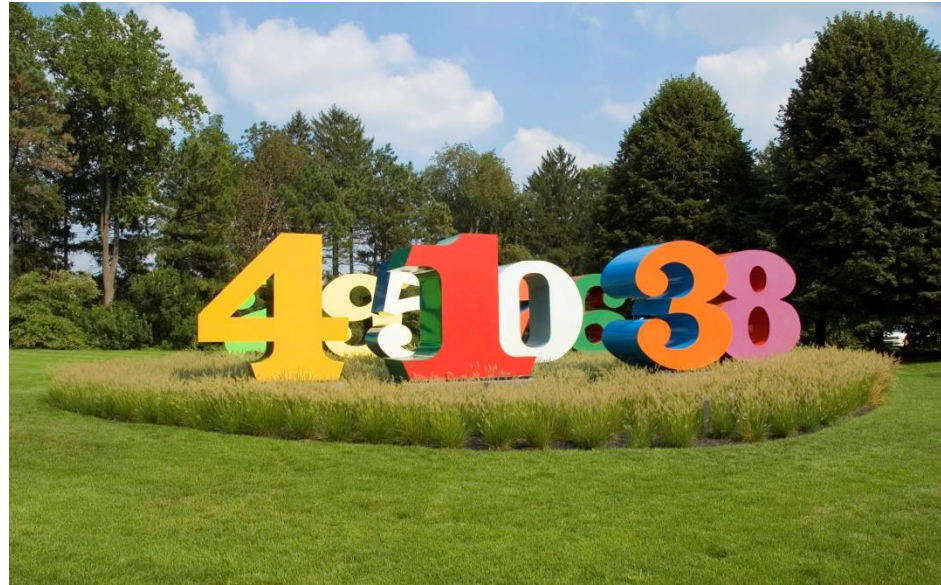
The Deal

- Population of 6,252
- Approx. 689m² block (15.4m frontage)
- Residential zoning

Metrics 	HOUSE	UNIT
Median price	\$398,750	N/A
Quarterly growth	0.69%	N/A
12-month growth	9.25%	N/A
Average Annual Growth	4.70%	N/A
Weekly median advertised rent	\$380	N/A
Number of sales	91	N/A
Gross rental yield	4.96%	N/A
Days on market	48.15	N/A

Source: CoreLogic

Qu: Is This a Positive Cash Flow Deal?



A: Do Cash Flow Analysis - Feasibility

1a) Cash Flow Analysis - **Feasibility**

Item	Formula	\$
Income – Rent @ 48 weeks		
Hold Costs		
Interest - Loan		
Interest – Owners Funds		
Property Management		
Let Fee		
Insurance – Building / Contents		
Insurance - Landlord		
Rates & Water		
Maintenance & Repairs		
Body Corporate Fees / Land Tax		
Total Hold Costs		
Annual Cash Flow		

1a) Cash Flow Analysis - Feasibility

Item	Formula	\$
Income – Rent @ 48 weeks		
Hold Costs		
Interest - Loan		
Interest – Owners Funds		
Property Management		
Let Fee		
Insurance – Building / Contents		
Insurance - Landlord		
Rates & Water		
Maintenance & Repairs		
Body Corporate Fees / Land Tax		
Total Hold Costs		
Annual Cash Flow		

❖ Activity –

Add figures & calculate cash flow

Assume:

- 80% LVR on purchase
- 4.5% Interest (bank & owner funds)

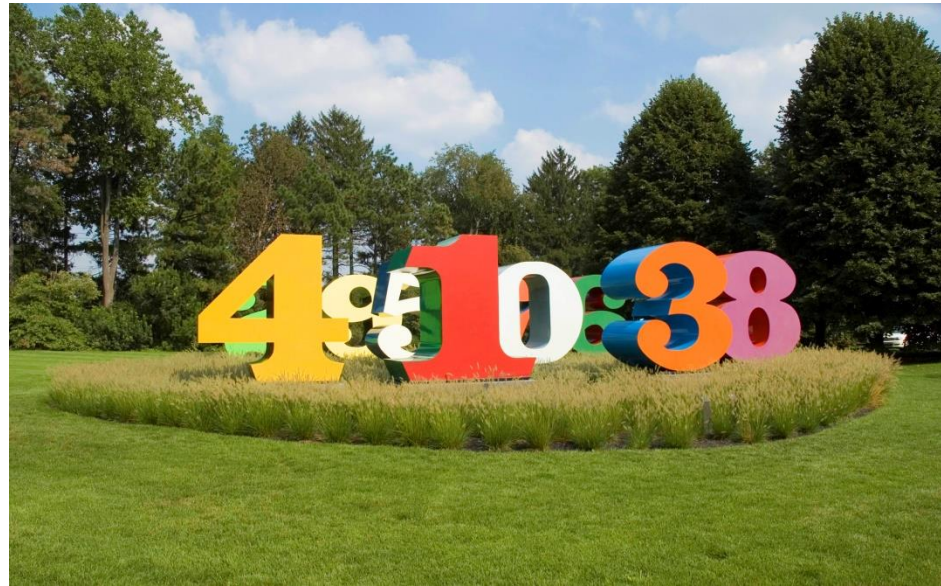
Note:

Calculate cash flow in first year of purchase not after longer term hold. Depreciation is not being accounted for.

1a) Cash Flow Analysis - **Feasibility**

Item	Formula	\$
Income – Rent @ 48 weeks	\$290 x 48	13,920
Hold Costs		
Interest – Loan 80% Purchase	\$285k x 80% = \$228k x 4.5%	10,260
Interest – Owners Funds 20% Purchase + 100% Purchase Costs	(\$285k x 20% = \$57k) + \$17k = \$74k x 4.5%	3,330
Property Management	\$13,920 x 7.7%	1,072
Let Fee	\$290 x 1.1	319
Insurance – Building / Contents	\$550	550
Insurance - Landlord	\$300	300
Rates & Water	\$2,100	2,100
Maintenance & Repairs	\$1,000	1,000
Body Corporate Fees / Land Tax	0	0
Total Hold Costs	Sum	18,931
Annual Cash Flow	\$13,920 - \$18,931	- 5,011

Qu: Can We Do Anything To Make It A Positive Cash Flow Deal?



A: Do Cash Flow Analysis – Value Add Calcs

1b) Cash Flow Analysis - Value Add

Item	A) Do Nothing	B)	C)	D)
Income – Rent @ 48 weeks	13,920			
Hold Costs				
Interest - Loan	10,260			
Interest – Owners Funds	3,330			
Property Management	1,072			
Let Fee	319			
Insurance – Building / Contents	550			
Insurance - Landlord	300			
Rates & Water	2,100			
Maintenance & Repairs	1,000			
Body Corporate Fees / Land Tax	0			
Total Hold Costs	18,931			
Annual Cash Flow	- 5,011			

❖ **Activity – Add Value-Add Strategies**

1b) Cash Flow Analysis - Value Add

Item	A) Do Nothing	B) Cosmetic Reno	C) Granny Flat	D) Cosmetic Reno + Granny Flat
Income – Rent @ 48 weeks	13,920			
Hold Costs				
Interest - Loan	10,260			
Interest – Owners Funds	3,330			
Property Management	1,072			
Let Fee	319			
Insurance – Building / Contents	550			
Insurance - Landlord	300			
Rates & Water	2,100			
Maintenance & Repairs	1,000			
Body Corporate Fees / Land Tax	0			
Total Hold Costs	18,931			
Annual Cash Flow	- 5,011			

❖ **Activity** – Calculate the cash flow for D) reno + granny flat strategy

Assume

- 80% LVR on purchase & granny flat build

- 4.5% Interest (bank & owner funds)

Item	A) Do Nothing	B) Reno	C) Granny Flat	D) Reno + Granny Flat
Income – Rent @ 48 weeks	13,920			$(\$350 \times 48 = \$16,800) + (\$310 \times 48 = \$14,880) = \$31,680$
Hold Costs				
Interest – Loan (80% Purchase + 80% Granny flat)	10,260			$\$285k + \$120k = \$405k \times 80\% = \$324k \times 4.5\% = \$14,580$
Interest – Owners Funds (20% Purchase + 20% Granny flat) + 100% Purchase Costs + 100% Reno	3,330			$(\$285k + \$120k = \$405k \times 20\% = \$81k) + \$17k + \$26k = \$124k \times 4.5\% = \$5,580$
Property Management	1,072			$\$31,680 \times 7.7\% = \$2,439$
Let Fee	319			$(\$350 + \$310) \times 1.1 = \$726$
Insurance – Building / Contents	550			$\$550 \times 2 = \$1,100$
Insurance - Landlord	300			$\$300 \times 2 = \600
Rates & Water	2,100			$\$2,100\#$
Maintenance & Repairs	1,000			$\$1,000$
Body Corporate Fees / Land Tax	0			0
Total Hold Costs	18,931			$\$28,125$
Annual Cash Flow	- 5,011			$\$3,555$

Qu: How Secure (Reliable) Is the Positive Cash Flow



A: Do Cash Flow Analysis – Sensitivity Analysis

1c) Cash Flow Analysis – **Sensitivity Analysis**

❖ **What is the purpose of Sensitivity Analysis?**

- “**What if**” analysis to determine how sensitive the positive cash flow is to changes in parameters.
- How much do things have to change to reach **break even point**?

❖ **What parameters should be tested?**

- Interest Rate Increase
- Rental Vacancy Increase
- Rental Rate Decline
- Maintenance Cost Increase



Item	D) Reno + Granny Flat - Formula	\$	Sensitivity
Income – Rent @ 48 weeks	$(\$350 \times 48 = \$16,800) + (\$310 \times 48 = \$14,880)$ $= \$31,680$	\$31,680	
Hold Costs			
Interest – Loan (80% Purchase + 80% Granny flat)	$\$285k + \$120k = \$405k \times 80\% = \$324k \times 4.5\%$ $= \$14,580$	\$14,580	
Interest – Owners Funds (20% Purchase + 20% Granny flat) + 100% Purchase Costs + 100% Reno	$(\$285k + \$120k = \$405k \times 20\% = \$81k) +$ $\$17k + \$26k = \$124k \times 4.5\% = \$5,580$	\$5,580	
Property Management	$\$31,680 \times 7.7\% = \$2,439$	\$2,439	
Let Fee	$(\$350 + \$310) \times 1.1 = \$726$	\$726	
Insurance – Building / Contents	$\$550 \times 2 = \$1,100$	\$1,100	
Insurance - Landlord	$\$300 \times 2 = \600	\$600	
Rates & Water	\$2,100	\$2,100	
Maintenance & Repairs	\$1,000	\$1,000	
Body Corporate Fees / Land Tax	0	0	
Total Hold Costs	\$28,125	\$28,125	
Annual Cash Flow	\$3,555	\$3,555	

❖ **Activity –**
How much
does rent
have to
reduce by
to reach
break
even?

$\$3,555 / 52 =$
 $\$68 / \text{wk}$

Item	D) Reno + Granny Flat - Formula	\$	Sensitivity: 7% interest
Income – Rent @ 48 weeks	$(\$350 \times 48 = \$16,800) + (\$310 \times 48 = \$14,880)$ $= \$31,680$	\$31,680	
Hold Costs			
Interest – Loan (80% Purchase + 80% Granny flat)	$\$285k + \$120k = \$405k \times 80\% = \$324k \times 4.5\%$ $= \$14,580$	\$14,580	
Interest – Owners Funds (20% Purchase + 20% Granny flat) + 100% Purchase Costs + 100% Reno	$(\$285k + \$120k = \$405k \times 20\% = \$81k) +$ $\$17k + \$26k = \$124k \times 4.5\% = \$5,580$	\$5,580	
Property Management	$\$31,680 \times 7.7\% = \$2,439$	\$2,439	
Let Fee	$(\$350 + \$310) \times 1.1 = \$726$	\$726	
Insurance – Building / Contents	$\$550 \times 2 = \$1,100$	\$1,100	
Insurance - Landlord	$\$300 \times 2 = \600	\$600	
Rates & Water	\$2,100	\$2,100	
Maintenance & Repairs	\$1,000	\$1,000	
Body Corporate Fees / Land Tax	0	0	
Total Hold Costs	\$28,125	\$28,125	
Annual Cash Flow	\$3,555	\$3,555	

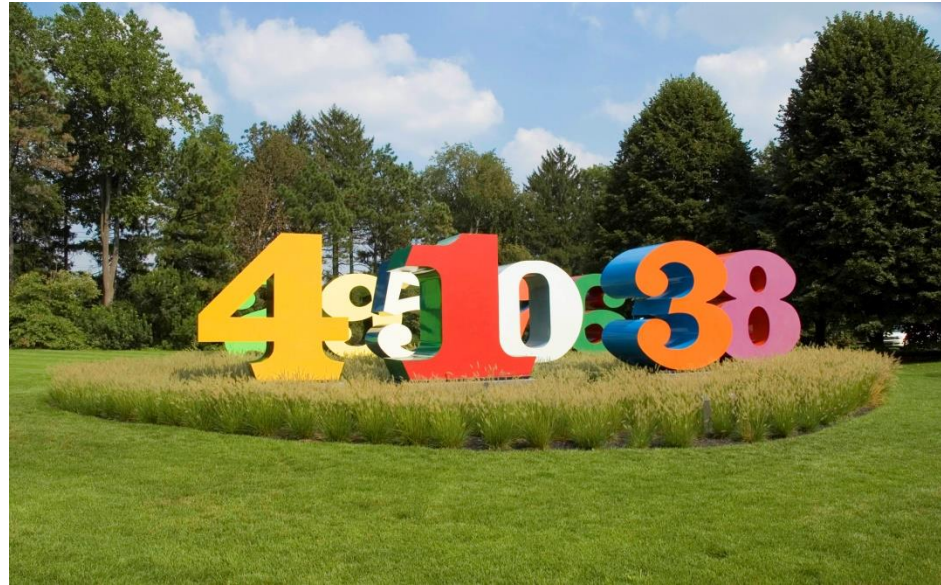
❖ **Activity –**
Calculate
what
impact 7%
interest
rate would
have on
cash flow

Item	D) Reno + Granny Flat - Formula	\$	Sensitivity: 7% interest
Income – Rent @ 48 weeks	$(\$350 \times 48 = \$16,800) + (\$310 \times 48 = \$14,880) = \$31,680$	\$31,680	\$31,680
Hold Costs			
Interest – Loan (80% Purchase + 80% Granny flat)	$\$285k + \$120k = \$405k \times 80\% = \$324k \times 4.5\% = \$14,580$	\$14,580	\$22,680 (\$324k x 7%)
Interest – Owners Funds (20% Purchase + 20% Granny flat) + 100% Purchase Costs + 100% Reno	$(\$285k + \$120k = \$405k \times 20\% = \$81k) +$ $\$17k + \$26k = \$124k \times 4.5\% = \$5,580$	\$5,580	\$8,680 (\$124k x 7%)
Property Management	$\$31,680 \times 7.7\% = \$2,439$	\$2,439	\$2,439
Let Fee	$(\$350 + \$310) \times 1.1 = \$726$	\$726	\$726
Insurance – Building / Contents	$\$550 \times 2 = \$1,100$	\$1,100	\$1,100
Insurance - Landlord	$\$300 \times 2 = \600	\$600	\$600
Rates & Water	\$2,100	\$2,100	\$2,100
Maintenance & Repairs	\$1,000	\$1,000	\$1,000
Body Corporate Fees / Land Tax	0	0	0
Total Hold Costs	\$28,125	\$28,125	\$39,325
Annual Cash Flow	\$3,555	\$3,555	-\$7,645

❖ **Activity -**
What
impact
would 7%
interest
rate
have?

\$7,645 neg.
cash flow

Qu: What Is The Profit Potential Of The Value Add Strategies?



A: Do Deal Analysis – Value Add Potential Calcs

2a) Deal Analysis – Value Add Potential (Roughy)

** Module 6 = Detailed Feaso; Below = Roughy Feaso

A) Do nothing, B) Cosmetic reno vs C) Granny flat vs D) Reno + Granny flat

Item	Option A Do Nothing	Option B Cosmetic Reno (8wks*)	Option C Add Granny Flat (12wks*)	Option D Reno + Granny Flat (12wks*)
Purchase Price				
Purchase Costs				
Hold Costs*	\$0	\$2,300	\$4,400	\$4,700
Strategy Costs				
Total Costs (A)				
End Value (B)				
Profit Potential (B-A)				

❖ **Activity –**
Calculate the profit potential of each value-add strategy

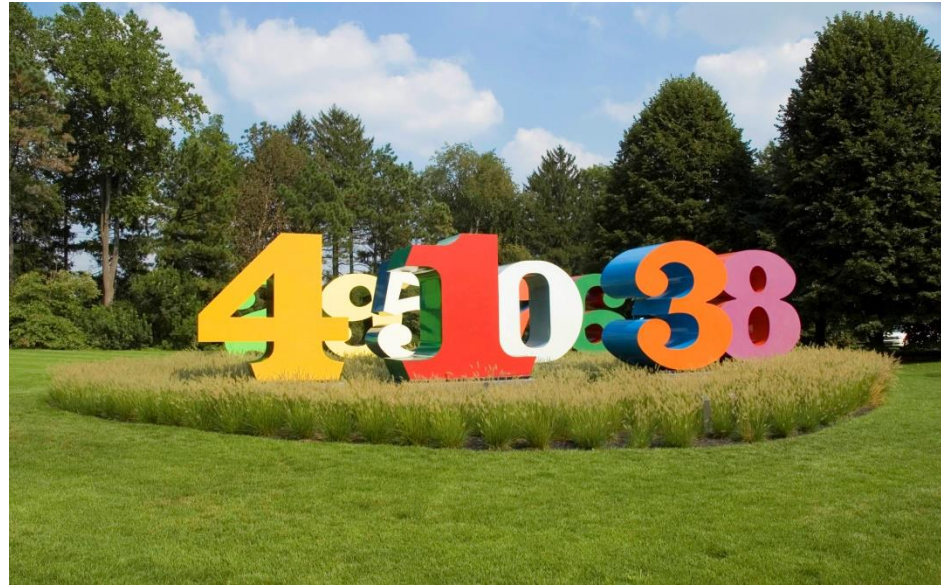
2a) Deal Analysis – Value Add Potential (Roughly)

** Module 6 = Detailed Feaso; Below = Roughly Feaso (= Headings Only)

A) Do nothing, B) Cosmetic reno vs C) Granny flat vs D) Reno + Granny flat

Item	Option A Do Nothing	Option B Cosmetic Reno (8wks*)	Option C Add Granny Flat (12wks*)	Option D Reno + Granny Flat (12wks*)
Purchase Price	\$285,000	\$285,000	\$285,000	\$285,000
Purchase Costs	\$17,000	\$17,000	\$17,000	\$17,000
Hold Costs*	\$0	\$2,300	\$4,400	\$4,700
Strategy Costs	\$0	\$26,000	\$120,000	\$146,000
Total Costs (A)	\$302,000	\$330,300	\$426,400	\$452,700
End Value (B)	\$285,000	\$375,000	\$405,000	\$495,000
Profit Potential (B-A)	-\$17,000	\$44,700	-\$21,400	\$42,300

**Qu: How Much Do I Need To a) Borrow
& b) Contribute From My Own Funds?**



A: Do Deal Analysis – Funds Required Calcs

2b) Deal Analysis – Funds Required

Item	OPTION B - COSMETIC RENO		
	Total Costs \$	Loan Funds 80% LVR	Owner Funds
Purchase Price	\$285,000		
Purchase Costs	\$17,000		
Hold Costs	\$2,300		
Strategy Costs	\$26,000		
Total Costs (A)	\$330,300		
End Value (B)			
Profit Potential (B-A)			

- Simply add 2 extra columns
- Remember – Owner Funds = Cash \$, LOC \$, Offset Acct \$, JV Partner \$ etc.
- ❖ **Activity** – Identify who pays for what in this example?

2b) Deal Analysis – Funds Required

	OPTION B - COSMETIC RENO		
Item	Total Costs \$	Loan Funds 80% LVR	Owner Funds
Purchase Price	\$285,000		
Purchase Costs	\$17,000		
Hold Costs	\$2,300		
Strategy Costs	\$26,000		
Total Costs	\$330,300		

❖ **Activity –**
Calculate
the Loan
required &
Owner
Funds
required

2b) Deal Analysis – Funds Required

Item	OPTION B - COSMETIC RENO		
	Total Costs \$	Loan Funds 80% LVR	Owner Funds
Purchase Price	\$285,000	\$228,000	\$57,000
Purchase Costs	\$17,000		\$17,000
Hold Costs	\$2,300		\$2,300
Strategy Costs	\$26,000		\$26,000
Total Costs	\$330,300	\$228,000	\$102,300

❖ **Activity –**
 Calculate
 the Loan
 required =
\$228,000 &
 Owner
 Funds
 required =
\$102,300

2b) Deal Analysis – Funds Required

	OPTION B - COSMETIC RENO			OPTION D – RENO + GRANNY FLAT		
Item	Total Costs \$	Loan Funds 80% LVR	Owner Funds	Total Costs \$	Loan Funds 80% LVR	Owner Funds
Purchase Price	\$285,000	\$228,000	\$57,000	\$285,000		
Purchase Costs	\$17,000		\$17,000	\$17,000		
Hold Costs	\$2,300		\$2,300	\$4,700		
Strategy Costs	\$26,000		\$26,000	\$146,000		
Total Costs	\$330,300	\$228,000	\$102,300	\$452,700		

❖ **Activity** – Option D - Calculate the Loan required & Owner Funds required

2b) Deal Analysis – Funds Required

	OPTION B - COSMETIC RENO			OPTION D – RENO + GRANNY FLAT		
Item	Total Costs \$	Loan Funds 80% LVR	Owner Funds	Total Costs \$	Loan Funds 80% LVR	Owner Funds
Purchase Price	\$285,000	\$228,000	\$57,000	\$285,000	\$228,000	\$57,000
Purchase Costs	\$17,000		\$17,000	\$17,000		\$17,000
Hold Costs	\$2,300		\$2,300	\$4,700		\$4,700
Strategy Costs Reno + Granny flat	\$26,000		\$26,000	\$146,000	\$96,000 (\$120kx80%)	\$24,000 + \$26,000
Total Costs	\$330,300	\$228,000	\$102,300	\$452,700	\$324,000	\$128,700

QUESTIONS?