



PLATINUM ACCELERATOR



MODULES

1-5



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Hi Guys,

Really great to have you guys on board. This is going to be an amazing journey over the next twelve months. The program that has been put together for you has been carefully crafted to systematically help you achieve your goals.

Success is not an accident. Achievement of your goals is a systematic process. In writing this program, Tamara and I, have put into words, audio and tasks, the process that you need to follow.

When you follow this process you will see how each step builds on the one before. We know it will eliminate inefficiencies in your process, as well as guarantee a success blueprint for you to follow regardless of your starting point or your desired end destination. You will be formulating your own goals, your own plan and your own strategies, and ultimately, your own success by following the Platinum Accelerator program.

I know you are going to love the program, I know you are going to love your coach, and I know that they will be there to help and guide you all the way. Platinum Accelerator is an accountability program where you are going to be asked to send in monthly goals for which you are going to be held accountable. Every month these goals are going to be recorded and in the following month you are going to have to answer if you have achieved them and asked, "If not, why not?" And believe me, you better have a bloody good reason as to why those goals haven't been ticked off. Just remember that I will be checking on you and so don't make the goals too easy because that is just a cop out.

At each monthly meeting you will get to review a deal selected by your coach and systematically step through the real life process of actually doing that deal. Each of the deals will be a different strategy, so you will get very hands on over the next 12 months.

I know you are going to love the Induction Webinar Series as this will really set the scene and give you a massive kick start to the year ahead.

Equally, you are going to have so much fun and learn a bucket load at the tri-annual two day learning and networking extravaganza. I will be there at these events to help you and check in on your progress.

I encourage you to take advantage of everything that is there for you. You have your coach's email and phone number, so if you find you are getting stuck – put your hand up. If you do not turn up at a monthly meeting they are going to want to know why. Just like any parent, they want to make sure that their 'babies are having the biggest, best, most amazing experience and success that they possibly can.

One of the amazing benefits of this program, which you will probably not comprehend at this point, is the networking opportunities it provides. You have now just joined a new family. You will be meeting every month, catching up, having chats, talking deals and sharing experiences with this family every month for the next 12 months. 'Mates in the market' are very important, and what has been created here is a success vortex... and guess what, you are now part of it.

One last request... have fun! The journey is just as important as the destination.

My intention, love and support are with you.

Huge Success,

Dymphna



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Whilst coaches will at all times exercise their best professional efforts, skills and care of ensuring the client is coached to meet their real estate and investment goals, the client understands and acknowledges the coach will not be liable legally or otherwise, for the actions the client may or may not undertake as a result of the coaching sessions and program.

The client takes full responsibility in the decisions they make after being coached as well as the consequences. The client enters into this coaching agreement with full understanding that there is no guarantee of results and the client is responsible for any action they take based on their investment goals.

This program provides general advice, coaching and support information only. Before making any major financial or investment decisions, we recommend the client seeks advice from a professional that is suitably qualified to give you personal advice based on the investment decision. The presenters/coaches of this program make no guarantee, representation or warranties and accepts no responsibility or liability on your investment choices and decisions.

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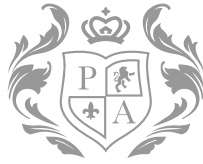
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MODULE

1

STEP BY STEP GUIDE TO GETTING MARKET READY

Module 1 – Step By Step Guide To Getting Ready



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Structures

Before you purchase a property you will probably need to set up structures. If you already have structures they will probably need to be reviewed.

By now you should be well versed in the fact that you need to protect the assets you are building up. If you already have existing properties that are not protected, you need to go through the options to add some layer of protection to those properties first.

Existing Property Strategies

Transferring existing properties into trust structures will be expensive. It will cost you Stamp Duty and probably Capital Gains Tax. When it comes to existing properties, there are a number of things you can do which will add some level of protection. These are listed below in order of least protected through to most protected:

✓ Insurance

Clearly, having all your assets adequately insured is a must. Make sure you remember all the things we spoke about at the Ultimate Bootcamp and check to make sure you have your insurances set up properly. Your strategist will refer you to someone to review all your insurances. Double check things like uninvited guests, public liability, pet insurance, home worker's compensation insurance, landlord insurance etc.

✓ Debt

Simply having debt on your properties is a form of deterrent from litigation.

There are two forms of debt:

1. Internal Debt

That is debt you have with one of your other structures such as your 'bucket company' or your 'piggy bank trust'. This type of debt is very advantageous and should be encouraged wherever possible. However, you just can't go off and whack mortgages and caveats on your properties willy nilly.

There has to be an actual money/cash transfer to justify these liens on the property. This is why every time you have an opportunity, move a significant amount of money. When you buy or sell a house you have an opportunity to create internal debt, which further assists in protecting properties held in your own name and even adds another layer of protection to trust assets.

2. External Debt

This is real debt that you have with financial institutions. Clearly this debt needs to be **NOT CROSS-SECURITISED** and if you are in a cross-securitised scenario, then one of your first moves is to get un-cross-securitised. Your finance strategist will help you with this.

External debt can also be an illusion of protection. If someone is looking to sue you, the first thing they do is conduct a search on your properties. If you have a registered mortgage with a bank and, even better, a second registered mortgage with one of your own structures (internal debt) then the question is asked, "Are you worth suing?" Typically a lawyer will say, "Just put \$10,000 or \$20,000 in my trust account and we will make some more investigations." Well in some instances that is enough to deter litigation.

As mentioned earlier, having caveats and mortgage placed on your properties needs to be done for a reason. There is a bit of talk in the industry about irrevocable mortgages and Vestey trusts. The concern is that most of these documents are placed on properties without reason or money flow and therefore would not hold water if challenged.

✓ Contracts of Will

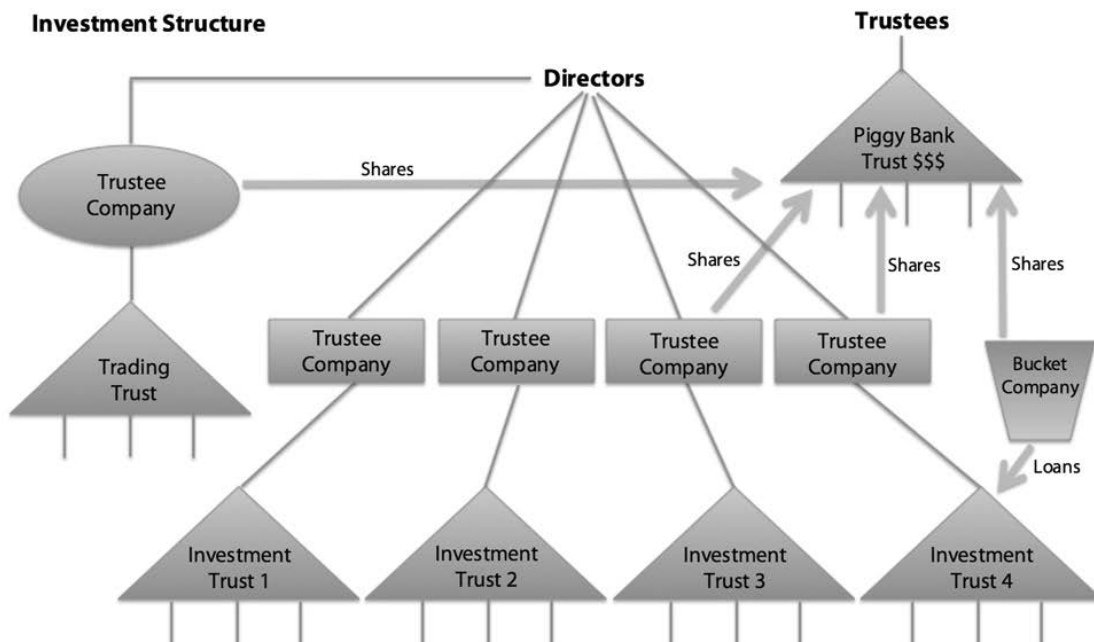
These documents have been around for quite a long time and basically document and secure via a mortgage or caveat, a signed contract or promissory note that you have with your own last Will and Testament.

A full outline of Contracts of Will can be studied in the Ultimate Home Study Guide and in the Ultimate Bootcamp recordings on the Ultimate Members website.

New Purchases

All new purchases need to be structured in company trust structures if they are investment properties. Only PPR properties should ever be in own names as these are the only properties that are going to be Capital Gains Tax free and even then in some circumstances structures will be used. This is the time to now have that appointment with your accountant or asset protection specialist. Investor Accounting Network details are available on the website in the contacts section to assist you in this area. You should always have a spare structure sitting there ready for your next purchase as in most States (the exception is Victoria) you need to have your structure in place prior to signing a contract on the property.

Remember the basic structure diagram?



Notes

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Insurance

The key areas to consider when it comes to insurance are personal insurances and asset insurance. Let's look at your requirements for each.

Personal Insurances

There are three main personal insurances to consider here:

- ✓ Life
- ✓ Trauma
- ✓ Total and Permanent Disability

When thinking about insurances, it is always a trade off between, how much would I like and how much can I afford. My suggestion is to have an insurance review, as they will do a 'needs analysis' on you, taking into account your age, your dependents, your financial situation etc.



Asset Insurance

Let's look at the varying property insurances and a few pointers on each.

✓ Building Insurance

Make sure all building and equipment insurances are insured to at least replacement value. Remember the stories you have been told about what happens when you are under insured. You simply won't be paid what you are insured for – any payout will be significantly reduced by the amount you are underinsured.

✓ Landlord Insurance

If you have an investment property then landlord insurance is invaluable as it typically covers loss or rent, malicious damage, and much more. Just remember that some insurers require you to have the property professionally managed by a property manager, rather than self-managed – so double check this if it is relevant to you.

✓ Contents Insurance

Make sure your contents are insured for use eternal to the home for third party and third party property. Even on vacant property, it is recommended to take out a \$10,000 contents insurance policy to cover all the soft furnishing which are not covered by your building insurance.

✓ Public Liability Insurance

Make sure your Public Liability Insurance covers 'uninvited guests'. Remember the stories about the burglar!

✓ Home Worker's Compensation Insurance

If you have anyone working for you on a semi-regular basis, you need to have Home Worker's Compensation Insurance to cover any accidents or injury on your work/home premises.

✓ Auto Insurance

✓ Business or Key Person Insurance

Make sure that if you are in business or are a key person in a business, that you have 'key person insurance' in place, which is simply life insurance on the key person in a business. In a small business, this is usually the owner, the founders or perhaps a key employee or two. These are the people who are crucial to a

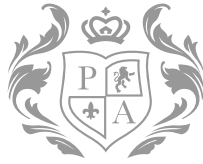
Module 1 – Step By Step Guide To Getting Ready

business, the ones whose absence would sink the company. Hence you have insurance in place to provide resources to replace that person if required

The list could go on and on. However, these are the main areas right now that you need to review and make sure what you have is adequate and if it isn't – FIX IT!

Notes

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Finance

How Much Can You Borrow?

The first thing you need to know is, how much you are able to borrow.

Unfortunately, the banks have the money and therefore they make the rules about what you are able to borrow. Your job is to understand how best you can fit into their very restrictive boxes. The three main components banks and financial institutions use to assess you are;

- ✓ Character
- ✓ Capacity, and
- ✓ Collateral

When it comes to 'Character'

If you have any marks on your credit file, please discuss this with your financial strategist and they will advise you what can be done (if anything) to correct or minimise the effects of bad credit. At a very minimum, everyone should request their own credit report. This can be done through Veda.

Simply go to:

www.mycreditfile.com.au

If you want the report emailed to you it comes at a nominal cost, or if you are prepared to be patient and have the reports sent out to you, this is still free of charge. It is important to know what is on your credit report so you know what you are dealing with – warts and all. While you are there you may as well set up an alert so that if anything goes on your credit file you are notified immediately – this does come at a small cost but is well worth it.

When it comes to 'Capacity'

Your capacity is determined by how much you earn and how much debt you already have. This is something the finance strategist will assist you with in your first meeting. Your capacity or serviceability will vary somewhat from one institution to another, but the strategist will guide you through that maze when you have your wealth check.

When it comes to 'Collateral'

This is how much you have in available equity in your existing property/ies or cash/savings or liquid assets such as shares etc. that could be used as deposits or costs and strategy funding for your next investment.

There is a difference between 'equity in your property' and 'available equity.' Remember, the bank likes to always maintain a comfortable equity margin in your property so unless your incomes are very strong, your lending ratio probably is around the 80% mark. This means your available equity is how much extra you can borrow up to the 80% LVR (Loan to Valuation Ratio).

Start collating your finances together to make it easier to complete the wealth check. These are the documents you need to put together. Make sure these document cover the whole family and any associated entities.

Properties

- ✓ Estimated current values of existing properties – at least two agent opinions on what they could sell them for.
- ✓ Current Rental Statements
- ✓ Current Loan Statements

Other Loans

- ✓ Personal Loan Statements
- ✓ Credit Card / Store Card Statements
- ✓ Private Loans
- ✓ Car Loans Statements/ Leases / Hire Purchase etc.

Taxation

- ✓ Last two years tax returns for all individuals and structures
- ✓ Flow chart of inter-related structures e.g. who owns what properties, who are directors / shareholders / appointors of trusts etc.

Income

- ✓ Evidence of income, e.g. pay slips, tax returns for self employed, share dividend statements
- ✓ Bank statements of savings or term deposits

Insurance

- ✓ Current insurance policies – including any existing income protection and life insurance, trauma, disability, property insurances (building, contents, public liability, landlord, pet insurance etc.).
- ✓ Pull out all policies and have them ready for your wealth check

Wills and Enduring Powers of Attorney

- ✓ Drag out the old Will if you have one, as it will probably need a review
- ✓ Health directive if you have one

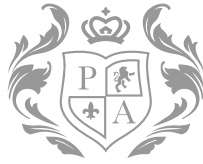
Superannuation

- ✓ All policies you currently have
- ✓ Last two years statements

Other Assets

- ✓ Make a list of other assets of significance that may be either able to be sold to use as deposits or that need to be taken into account for insurance and risk management.
- ✓ Anything else of value your strategist/financial planner should know about

Notes



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Money Management

Good money management is essential for financial success. One does not happen without the other. It is essential for you to clear up your act on all levels. If you have been used to a messy work environment or a messy office or a messy accounting system then it is now time to make a change. If you are organised in your finances, your life will also be organised and so too will your results. Let's face it, that is what we are after and if all it took was for you to clean up your act, would you do it? Well, it is at least a big part of your ultimate results success.

Let's separate out financial management and personal management. Both are important and both need to be treated with equal respect.

Personal Management

There are two very good Feng Shui sayings: -

"Clutter is anything unfinished, unused, unresolved or disorganised. When you clear your clutter, you make space for new things, new energies and creativity will increase"

and

"Clutter is just delayed decisions"

This is true at so many levels and can often be the thing that is stopping you actually getting out there and doing a deal that makes you money.



So what are some things that you can do to start the money flow?

Work Space

A good place to start is your place of work. Get organised and clean up your work space. Start with the desk, it's normally the easiest, then move on to the room generally. You may need to buy a few things like book shelves, filing cabinets, storage boxes, or you may get really high tech and buy a terabit or two hard drive or external drive or cloud based system of back up and turn your whole office into a paperless office by scanning and photographing everything.

This is probably the way everything is going but many are not there yet. The ATO is happy with this approach.

However, a word of caution, do not allow this to be a three month marathon effort that becomes your comfort place of procrastination!

Time Management

If you find yourself constantly saying, “I don’t have time for this or that,” - you need to make a change and create time for what is important. We all have 24 hours in a day. The difference between a successful person and unsuccessful person is how they allocate their time. If you are having trouble reallocating your time, you need to do a time tracker.

This is probably the most painful thing you will do. For a whole month write down every 15 minutes what you spent your time on. You will very quickly see patterns of time wasting, and then it becomes a choice. If you see that particular usage of time as serving your highest good, that’s fine, but if not, change it. It’s that simple. In the appendix, a basic template for a time tracker has been included if you want to use it, or you can create your own.

Using a Diary

In order to be organised and maximise your use of time you need to have a system to record key dates, events, meetings and your own tasks. That is the purpose of keeping a diary – and yes this sounds very basic and it is. You just need to do it. The form your diary takes can be personal. It can be a hard copy diary or notebook, or an app or calendar on your phone. The important thing is that it needs to be mobile and it needs to be with you. You don’t want to be booking in a meeting with your town planner only to realise you don’t have your diary and end up double booking them and need to ring back and reschedule. You need to be organised to be professional. Your diary also helps to keep you accountable to your tasks for the day and what you need to achieve.

Take Notes

At every meeting, every phone call, every thought or idea – WRITE IT DOWN.

Regardless of whether that is in notebook form or electronic form, your thoughts and ideas and information are valuable and need to be recorded. There have been numerous studies over the years that prove writing things down aids the retention process and the KNOWING. Notice the word ‘knowing’ was used – not ‘learning’. You will be more equipped to recall the information as and when needed. Let’s look at an example: - You are having a meeting with a town planner and you are talking about block sizes and zoning requirements for different areas. Unless you have some way of recording that information, much of what they say will be lost.

If note taking is not your thing or you think other ways of storing the information are more efficient, that's fine. Voice recording on your phone as a memo means you can go back and listen to the conversations again. Many find the very best way is to use either 'Soundnote' or 'Evernote' which are apps you can use on phones or tablets, where you record the conversation and can take notes as well. This means if you just want to listen to the part where the planner spoke about block size you simply click on your notes where you said, "Block size," and the recording will automatically jump to that section of the conversation and start playing from there. A fabulous tool! Just remember that if you are intending to record a conversation, always ask for permission first.

Note taking is de-cluttering for your brain!!!

A great idea is to review your notes after every meeting or phone conversation and fill in the blanks, fill in the information you didn't quite get down, or make additional notes to explain your scribble. The aim is for these notes to be a reference that you can come back to in the future so make sure you have captured everything. Using our town planner example – you may not go ahead immediately with a deal in that area, so you want your notes to be legible, detailed and self explanatory so that you can come back to them at a later stage and not have to reinvent the wheel and start all your research from scratch. Of course the ultimate would be to scan your handwritten notes and electronically file them for the future.

Make a List

Now that we understand that writing things down de-clutters the brain, the next step is to organise that information, and making lists is a great tool. By making a list of what you need to do, what you need to buy, who you need to speak to, you will be organised. It will prevent things from being forgotten, and it will form a basis from which to add. A list is never static.



Daily, weekly and monthly task lists also help to keep you accountable. They form the basis for you to track your progress, to identify the tasks you have not completed and ensure they make it to the top of the list for the next day, week or month.

The other aspect of making a list is to prepare you for your meetings, your phone calls, your conversations with others. By thinking in advance of the questions you want to ask, and the information you want to gather, the more prepared you will be, and the more effective you will be with your time and the other person's time. Continuing on with our town planner example, list the questions that you want to ask e.g. the zoning, the minimum land size, the frontage etc. Create yourself a template to record that information in your meeting; a sort of 'fill in the blanks' worksheet.

Remember that making your lists and taking your notes in the one notebook is the ultimate for keeping your records together and keeping organised. If you need to use loose paper, ensure you have a system for keeping them together.

Update Your Skill Levels if Needed

If there are aspects of your skillset that you know are not quite up to speed, then you need to take responsibility and get yourself skilled up in that area. Maybe you are not comfortable with computers and know you need support in that area, and that is fine, as we are all coming from different backgrounds, experiences and skillset, but don't let that hinder your progress, don't let that become an excuse – take control and do something

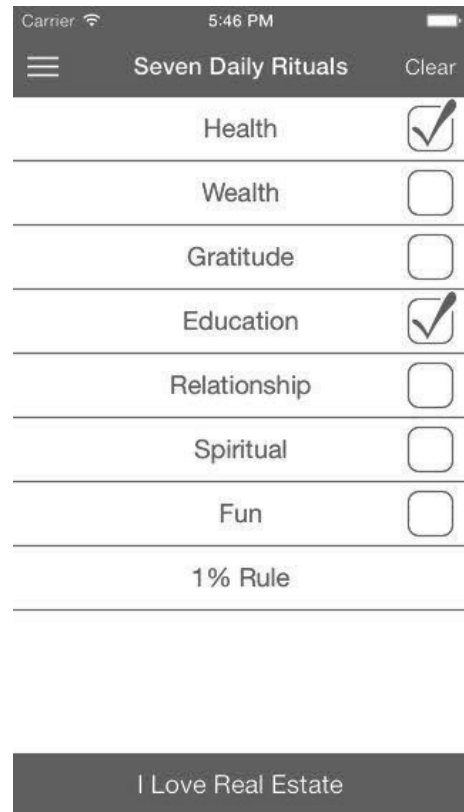
about it. It might be as simple as doing a day course on using computers, or using spreadsheets, or bookkeeping.

Seven Daily Rituals

Balance in life is very important. The Seven Daily Rituals are a great way to maintain that balance. If you make a conscious effort to focus on key areas of your life every day then you find your habits change and your attitude around everything you do also changes.

The areas chosen to focus on daily are available in an app format. The app is free and it is highly recommended that you download it and start using it every day. If you don't want to use the app, get yourself a notebook especially to record your Seven Daily Rituals.

The 7 key areas to focus on are health, wealth, education, family and relationships, spirituality, gratitude and fun. Don't forget the last one. This journey is meant to be fun!



Seven Daily Rituals	
Health	☒
Wealth	☐
Gratitude	☐
Education	☒
Relationship	☐
Spiritual	☐
Fun	☐
1% Rule	

I Love Real Estate

Financial Management

Record Keeping & Filing Systems

Being organised with your documents, your processes and information is critical to being efficient and organised. There are many accounting and bookkeeping systems that make record keeping easy. Basically, as an investor, a simple filing system combined with an asset register is good enough. As someone in the business of real estate, which means you are now doing active investing such as subdivisions, building etc., then you will need an accounting system to record income and expenses. These range from the simple Excel spreadsheet to accounting software such as MYOB, Quick Books, Xero etc. Most accountants these days prefer Xero for the non-accountant type as it is cloud based and your accountant can get online and view your records as needed and it automatically updates from your bank statements.

Keeping spreadsheet records of your bank accounts and loans is important for being able to access information quickly, keeping your information up to date and in one place and for being able to provide this information to others including your mortgage broker, on a timely basis. While this may seem less important when you only have one property and

one loan, it becomes critical as you build your portfolio and your accounts and loans increase. You need to get in place systems now that you can build on in the future as you progress, so the types of information that you want to record and continually update include the bank the loan is with, account numbers, loan limit, security property, terms of the loan e.g. 30 year, interest only or principal and interest, duration of interest only period and expiry date, fixed or variable interest, the interest rate and monthly interest repayments and a notes section on who got you the loan, date, LVR etc.

Similarly, a spreadsheet record of your insurance policies is also important. Documenting the policy number, the type of policy, the cover. This information should be kept in your asset register for each property as well as a digital and hard copy printout in the filing cabinet. If you don't have one you can get one from my personal website www.dymphnaboholt.com

AND – MAKE SURE YOU BACK UP EVERYTHING REGULARLY! I've been caught before.

Saving? – If Not, Why Not?

This might seem harsh but if you are not in a net savings position, you are doing something wrong. Your income needs to be greater than your expenses at all times and if you want to get ahead you need to have excess funds over and above your expenses. If this is not the case for you or even if you want to see how you can save more, I suggest you do a money tracker. Whenever anything is out of balance, a tracking system is the best way to see what is not working and highlight what you need to do to rectify the situation. To this end, there is a money tracker template in the appendix for you to copy and amend as necessary.

What Are Your Income Sources – Can They Be Increased?

Following on from the bigger question of net savings you should also look individually at how you can increase your income and how you can decrease your expenses. Everyone can benefit from a review of this on a regular basis.

Here are a few suggestions that you might like to consider;

- ✓ Check that all properties are rented at market value
- ✓ Do you have unused areas of your home that could be used for income producing e.g. garage for storage, driveway for parking space in built up areas, spare bedrooms rented on Airbnb or rented out by the room

What Are Your Expenses and Can You Reduce Them?

I think most of us could cut unnecessary expenses if we really focussed on our budgets. When things are doing okay, the tendency is that we get slack on expenses and unless we have a focussed approach to review our expenses on a regular basis they can easily get out of hand. A few things you may need to look at could include;

- ✓ Have more efficient insurances
- ✓ Reduce credit card balances to save on interest (sometimes this interest is as high as 24%)
- ✓ Revisit mobile phone plans
- ✓ Cancel unused memberships like subscriptions and gym memberships
- ✓ Clear out unused storage sheds

By no means is this list complete. It is actually as long as your imagination.

What Can You Liquidate That You Don't Use?

Most people have unused or at least underused items around the house that could be sold and the funds used for better purposes e.g. funding a property purchase. When analysing what assets you may have accumulated over the years that you REALLY don't use that often, ask yourself these questions:

- ✓ When was the last time you used that asset (assets such as boats, caravans, holiday homes, bikes, second or third car etc.)?
- ✓ How long did you use it for?
- ✓ How much would it have cost you to hire that item if you didn't own it?

If you are really honest with yourself, you will find there are lots of things you have accumulated over the years that really could be liquidated for a greater and higher purpose.

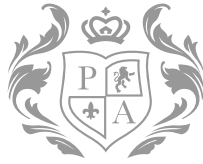


Do a flow chart of structures and spreadsheet of bank accounts, insurances, loan accounts, leases etc.

An up to date copy of a flow chart of your structures and how they relate to each other, and the assets that are owned by each structure is a document that should be kept up to date at all times. It's a good idea to keep a copy of this document with your accountant and in an easy to find location in your filing cabinet. Along with this document should be a spreadsheet of your bank accounts, insurance policies, assets and loan accounts, leases etc. Many prefer to keep this copy as a hard copy in a safe – maybe that's just their personal unfounded concern for computer hacking, or maybe it's just being just old fashioned!

Notes

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Existing Property

The next step in getting market ready is assessing your existing property portfolio. Many people have already filled their portfolio with what could be called 'nothing properties', because they are just another property. Typically they have been bought as house and land packages from the marketers and they have no discernable upside other than to sit back and wait for the market to move. Usually they are negatively geared and could be affecting serviceability and therefore inhibiting future investments.

Sometimes the property that is actually holding you back is your PPR, your Principle Place of Residence, because the mortgage is eating up all your serviceability. This is usually a tougher pill to swallow than if it is the investment property that is hurting.

For some, their next deal is already in their portfolio and they should concentrate on maximising their existing properties first before starting to look for the next deal.

But how do you tell which ones in your existing property portfolio are 'nothing properties'?

Well, there are a few calculations you need to do to work out how your existing properties are actually performing, taking into account both income and growth. The first of these is to do a 'return on equity analysis'. What this calculation does is it shows you how much return you are getting on the equity you have tied up in each of your properties.

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The spreadsheet below is available in printed form in the appendix for you to analyse your own portfolio. When making estimates of growth, remember this is basically a best guess, as no one can ever accurately estimate what a property will grow to in the future. A good guide will be to look at what rate the area has previously grown at over a long period of time.

Portfolio Analysis

Property Name	Income/yr \$ A	Expenses \$ B	Interest % C	Interest \$ D	Net Profit \$ E	Est % Growth F	Est \$ Growth G	Current Value H	Loan \$ I	Equity \$ J	% Return on Equity K
					A-B-D		F*H			H-I	(E+G)/J
Example	31,200	2,000	6.99%	20,970	8,230	5.00%	25,000	\$500,000	\$ 300,000	\$ 200,000	16.62%

The other question you need to ask yourself is if any of the properties are holding you back from a serviceability perspective. Even though one particular property might have good expected growth and as a result the return on equity may look quite good, if the negative cash flow is affecting your serviceability to do other things, then the property may still have to go.

This is something you need to discuss with your strategist and they will assist you in the decision making process.

When you start analysing existing properties you also need to make sure they are operating at an optimum level of efficiency, just like a well-oiled machine. Here are a few things you need to consider;

- ✓ Rent – are all your existing properties at market rental? Jump on realestate.com and check the rental rates of similar properties in the area where your properties are located.
- ✓ Can the property be rented as a dual occupancy? Is it legal to do so in your council and would it actually bring in more rent?
- ✓ Is it possible to increase the rent if services such as pay TV or internet or pool or garden maintenance were added, or would the property rent for more if it was furnished?
- ✓ If you were to do a renovation on the property, would it rent for more and how much more would it value at? This is where you need to do a 'cost benefit

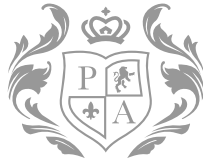
analysis'. If you spend \$20,000 and the property only goes up by \$20,000 then on a growth calculation it's not worth it, but if the property goes up in rent by say \$50 per week, that is \$2,500 per year, which is a ROI on the \$20,000 of $(2,500/20,000 \times 100)$ 12.5% which is not a bad return on investment, but nothing to write home to mum about.

- ✓ Is there any manufactured growth strategy you could do on the property and if so what does the feasibility say? How much money would the strategy cost and what return both in income and growth would you get on the expense?

The bottom line is that if your existing properties are stopping you from being able to move forward then they have to go. Be guided by your strategist and ask them, "If I sell this property or that property, what would be my capacity moving forward?"

Notes

[illegible]



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Wills & Estate Planning

This is the topic no one likes to talk about but everyone has to. The truth is we will all die one day and as a result we will need a Will. The last thing you want is the government or court system deciding on how your assets will be distributed. Apart from being very inefficient, this process is time consuming, costly and may not be in alignment with what you want.

Rather than rabbit on about how important a Will and an Enduring Power of Attorney and health directive etc. are, there are a few questions for you to consider. Answer them truthfully and take the appropriate action.

- ✓ Do you have a Will? If not call your lawyer or Derek at Pacific Law now and make an appointment. Before your appointment make a list of assets, who owns them e.g. trust or individuals etc., what insurances you have and how you want them to be distributed upon your death.
- ✓ Do you know where it is? If you do have a Will, get it out and read it and see if it is still adequate.
- ✓ Laws change and if it is more than 5 years old, make an appointment to refresh it. Is it up to date?
- ✓ Have your circumstances changed since your Will was created? e.g. name change, had more children, lost members of the family, divorced, bought new properties, set up a new trust or company structure? If so – have it refreshed.

Module 1 – Step By Step Guide To Getting Ready

- ✓ Do you have a copy held with your solicitor and you, or both?
- ✓ Does your Will account for your new structures?
- ✓ Is it tax effective? Your Will really needs to be considered in conjunction with your accountant to make sure you are not setting your family up for big tax liabilities.
- ✓ Do you have an Enduring Power of Attorney? This document kicks into gear when you are incapacitated and unable to act on your own behalf – really important when illness renders you incapacitated. Have one drawn up when you get your Will done or updated.
- ✓ Do you need a temporary Power of Attorney for short-term incapacities such as travel overseas or illnesses?
- ✓ Have you thought about a health directive and what you want done in the case of an accident or illness?
- ✓ Have you made you intentions known about organ donation?
- ✓ Do you want to be buried or cremated? What do you want done with your ashes?

This is by no means an exclusive list, but it is a start and certainly food for thought.

Notes

[illegible]



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Action Summary

Make a list of actions required and prioritise in order of importance – break down the tasks into small bite-sized chunks and allocate these tasks over a four-week period. Again, this process should not be a marathon effort that takes up more than a month.

From what we have gone through so far, what action is required by you on the following topics?

Structures

Insurance

Finance

Taxation

Existing Properties

Managing Money

Wills & Estate Planning



PLATINUM ACCELERATOR

MODULE

1

MODULE 1 APPENDIX

- PROPERTY ANALYSIS SPREADSHEET
- MONEY TRACKER
- TIME TRACKER

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Money Tracker

[illegible]

Weekly Time Tracker

Note: Enter into each cell what you were doing on each day at each time interval. Don't winge – when I was in the accounting practice time tracking was done every 15 minutes!!

Time	DAY 1	DAY 2	DAY 3	DAY 4	DAY 5	DAY 6	DAY 7
6 – 7 am							
7 – 8 am							
8 – 9 am							
9 – 10 am							
10 – 11 am							
11 – 12 am							
12 – 1 pm							
1 – 2 pm							
2 – 3 pm							
3 – 4 pm							
4 – 5 pm							
5 – 6 pm							
6 – 7 pm							
7 – 8 pm							
8 – 9 pm							
9 – 10 pm							
10 – 11 pm							
11 – 12 pm							



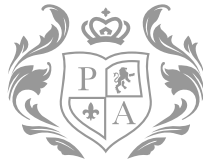
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MODULE

2

**WHAT DO YOU REALLY WANT?
HOW DO YOU WANT YOUR
LIFE TO BE?**

Module 2 – What do you REALLY want? How do you want your life to be?



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What's your 'Peg in the Sand'?

How do you know what you really want?

One of the hardest things you will ever have to do is decide what you really want out of life. How do you want your life to turn out? Where do you want to go? What do you want to do? What kind of lifestyle do you want? Unless you have clarity around these things how do you know what action you need to take to actually get there?

This is where a lot of people go off the rails, because they're thinking from an ego position rather than a real heart felt position. It's easy enough to say you want a passive income of \$300,000 per year and a \$10,000,000 property portfolio but for most people the reality of what that actually means is beyond what they are willing to put in to achieve those kinds of results. So before we start this section you need to drown your ego and start thinking from another perspective. The aim is not to crush anyone's goals and dreams, but you have to understand what a realistic ratio of effort for reward is.

One of the best ways to get to that place of wants and desires without ego, is to meditate/visualise how you want your life to be. Because most people get caught up in the 'how to' and the 'I can't' it is more beneficial to visualise five or ten years down the track, as this eliminates a lot of the self-conscious issues around how you are going to make it happen.

A word of caution though, this still needs to be from a non-ego perspective. To this end, included in the audio for this session a little mini visualisation meditation, has been included.

Module 2 – What do you REALLY want? How do you want your life to be?

Before listening to the meditation audio, make sure you are in a place where you won't be interrupted. Use headphones as they block out more of the external stimuli, and background noises e.g. dogs barking, kids screaming etc. After doing the 'future you' meditation write down everything you can remember about how you saw your life panning out in all the different categories that we cover in the meditation.

For those of you who have never done any meditation, or think it's some hippie cult experience, all you are really doing is experiencing a guided thought process. You create your own thoughts. All the audio is doing is posing some questions to both your conscious and sub-conscious to get to the root of who you really are and what you really want. The more you can relax through this process, the easier it is to disconnect from ego.

Over the next few pages we are going to separate your life out into five categories and we're going to explore in a reasonable degree of detail what you want to achieve in the next few years and what you want to achieve in those five categories. It's kind of like a bucket list for different sectors of your life.

At the Ultimate Bootcamp you were given a 'Peg in the Sand' journal. Most of you will have either rushed through to complete it or not done it at all, and opted for a glass of wine instead. You are encouraged to get out the 'Peg in the Sand' journal and actually spend some time going through it in more detail. Whilst the 'Peg in the Sand' journal is designed to make you stop and think about whether you are on track in your life or not, it is also smattered with stories of inspirational people and events and how the process of setting a goal and breaking down that goal into individual achievable chunks has allowed many people throughout history to achieve unbelievable success and accomplishments.

If you don't know what, you want how do you know what actions you need to take to get there. Without goals you're just going to be a pawn in someone else's life journey being pushed around or dragged along as the case may be on other people's goals and dreams.

So what are the five categories of your life that we're going to focus on?

- ✓ Finances/Money (obviously)
- ✓ Career
- ✓ Personal/Family
- ✓ Health, and
- ✓ Achievements.

On the next few pages worksheets have been set out. From the visualisation we're going to start with how you see your life in five years time. On the following pages you need to first describe, in as much detail as possible, how you see your life in five years time. We're then going to break down that overriding goal into yearly goals, monthly goals and weekly goals.

Yes, this section requires work on your part. This is not something that should be skimmed over, scanned or ignored completely, as it is probably the most important part of your next 12 months. Without completing this section you're just deluding yourself that you're serious and are actually going to make those goals happen. That sounds tough but it's the truth. So let's get started.

Step 1

Find yourself a nice, quiet place where you are not going to be disturbed for the next 20 minutes to half an hour, get some headphones and do the 'Guided Visualisation 5 Years Time', on the bottom of the Platinum Member Only Website landing page. It will focus on the 'Future You'.

On completion, write down on the following pages as much detail as you can about what you visualised.

You will notice that the categories have been listed in reverse order to the list above. This is done on purpose as it's often easier to work out how you visualise your life in non-financial terms first. If you can see how you want to live then it's often easier to work out how much money/passive income/numbers of properties etc. that you need to achieve that lifestyle. So let's deal with the money last.

Step 2

In the space provided, go crazy. Just write down as much detail as you can, don't worry about form or order just capture the detail, we'll sort it out later.

Have Fun!

Achievements

Achievements are things that you'd like to be able to do and/or accomplish such as travel to India, learn to play guitar, complete a university degree, sail the world, whatever. This is more like a 'bucket list' of things you want to do over the next five years.

This image shows a full page of white paper with horizontal grey ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for handwriting practice or general writing. There are no margins, text, or other markings on the page.

Now go back and prioritise these achievements in order of importance to you.

Health

[illegible]

Personal/Family/Relationships

[illegible]

Career

[illegible]

Finances/Money

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Step 3

Now we need to break your five year goals down into yearly goals. In each of the categories we now need to chunk down your five year vision into yearly achievable chunks. Let's explain what that would look like in each of the categories.

Achievements

For this category the process is pretty easy. Out of the list of all the things you want to achieve over the next five years, break them down into years. For example, let's say you want to spend a month in India you may decide you'll do that in year three, you will have been able to have done property deals to afford it, whereas learning to play guitar would be a progressive goal over the five years so we may as well put that into year one.

Health

Let's say your health goal is to achieve a certain weight or to run a marathon, this goal would need to be broken down into the five years. Let's say you want to reduce your weight by 30kgs and you want to achieve this over two years, that means 15kg a year over the next two years, or 1.25kg per month, approximately 300grams per week. That's very achievable. As you can see by breaking things down into years, months and then ultimately weeks, the 30kgs which initially might seem massive and unachievable now becomes a very realistic, easy target.

Personal/Family/Relationships

This category might seem a little less systematic as we are now dealing with other people's emotions, reactions and feelings as well as your own. You can NEVER change another person, all you can do is change yourself. Change your attitude, reactions and feelings and what you find is that by changing yourself the response you then get back from others is subsequently also different. With this in mind think about the goals that you have written down in this category and how you can change yourself to elicit the desired interconnection you require from the other parties.

Let me give you an example. Let's say you want to have a better relationship with your father or you want to attract your soul mate, let's deal with these two issues first.

Firstly, the father scenario, your current relationship will have been built up over many years of interaction both favourable and unfavourable, consequently any changes will take time to counteract past stimuli. Adjust your own behaviour, thoughts and energy fields to a more positive and outwardly loving projection towards him. Both consciously and subconsciously he will then feel this change and start to behave differently over time, even though he probably won't understand what's actually happening.

To this end if you're interested, **there is an audio track on the Platinum Members Website called "Manifestation Meditation"** which talks about energies, vibrations and focused change which can assist in every facet of your success. Find it in the menu on the Education/Platinum Resources page. If you feel this change is a little too much for you at the moment, that's okay leave it until later.

If your goal was to find your soul mate, again all you can do is change yourself. The best way to attract anything into your life including people and situations is to be very confident and happy in yourself. This is why working on 'you' first is so important.

For example, if you are insecure and unhappy with who you are, then the type of person/people/situations you attract are those with insecurities and happiness issues in themselves.

If your overall goal was to find a soul mate, my suggestion would be to work on yourself first. Learn to love yourself first before asking anybody else to. As you break down this category of your life into yearly chunks think about how you'd like your relationships to be and what you can change in you, and what you need to do to make those changes in you in order to nurture the interrelationship you are searching for.

Career

Some of you will want promotions, some of you will want to set up your own businesses, some of you will want to be full-time property investors. Regardless of what your ultimate goal is in the career category, think about what you need to do or what position you need to be in to achieve that goal.

As an example, if your goal is to set up a business, how much money do you need in reserve in order to start the business? Can you start the business whilst still earning your current income stream? What is your vision for that business? How big do you want to grow? How do you access that market? Start to ask better questions of yourself on how you can make that happen.

If your goal is to become a full-time property investor, what does that really mean? How much money/income do you need to have set aside in reserve or as passive income to make that goal a reality? When it comes to being a full-time property investor there are a number of things to consider in that transition from work to investor.

Let's explore that now.

✓ **Passive Income**

The aim is to accumulate positive cash flow properties until such time as you have enough passive income coming in from those properties to live on, preferably with enough of a buffer in there to allow for vacancies, interest rate increases etc.

A good guide for this is to work out what your 'NEED income' is and accumulate sufficient positively geared properties until you have replaced that 'need income' at least twice. Taking this road takes time as you will need to be doing manufactured growth deals along the way in order to have enough chunk money to cover deposits and costs on your next deal and be able to keep investing.

✓ **Chunk money**

This is where you do manufactured growth deals to build up a sizable chunk of money sufficient to support you if you were to give up your current work income.

Let's say you earn \$100,000 per year. If you wanted to be a full-time property investor you could go do a manufactured growth deal and make \$100,000 profit after tax. Set that money aside, get yourself into your next chunk deal with deposits and financing. Quit your current income stream and pay yourself a regular weekly wage out of the chunk money you set aside from the previous deal.

Effectively, this will give you 12 months to earn enough money from your next deal to support yourself for the next 12 months.

This strategy is a little bit fraught with danger as banks will generally not count the chunk money made from manufactured growth strategies as income from a serviceability point of view, unless you can demonstrate that that is now business income (this means you are paying income tax on the profits, not Capital Gains Tax) for at least two years.

The other danger with this strategy is that property deals don't always fall nicely into financial years, therefore from a tax perspective your income for serviceability could appear quite erratic and banks don't like that.

✓ **Steady as she goes**

This is where you slowly build up passive income and debt free assets alongside your earned income stream and as your investment income increases you slowly cut back on your earned income e.g. go to 4 days a week, then 3, then 2 etc., as your other income increases.

Finances/Money

From your five year visualisation you should now have a pretty good picture of the lifestyle you want to create. What we now need to do is work out how much income and equity/wealth you need (and the emphasis is 'need') to create that lifestyle. Some people might visualise massages and walks on the beach and they think they need an income of \$200,000 per year to achieve this, whereas the reality is you can probably have that now, so book that massage and take that walk on the beach.

For most of us we think we have to attain a certain level of something before we can whatever. When in reality this process of really working out what you want often becomes an epiphany of if that's what I want, then that's what I'll do now and that's what I can have now. Our society has been conditioned into a false sense of reality where we think when this happens or that happens then I'll be happy, or then I'll have time for the kids/family, or then I'll take that trip. Life is too short for this style of thinking!

Once you've got a conceptual idea of how much money you need (and the emphasis is on 'need' again) to attain the lifestyle you have envisaged in your visualisation meditation, we now need to look at how that level of income is going to be created. Specifically, how much of that income are you going to create in the next 12 months, and how much in the year after that and after that etc. so that in five years time whatever that income figure is you have achieved it.

So let's break those five year goals down into yearly goals, across the categories.

Year 1

Achievements

Health

Personal/Family/Relationships

Career

Finances

Notes

Year 2
Achievements

Health

Personal/Family/Relationships

Career

Finances

Notes

Year 3

Achievements

Health

Personal/Family/Relationships

Career

Finances

Notes

Year 4
Achievements

Health

Personal/Family/Relationships

Career

Finances

Notes

Year 5
Achievements

Health

Personal/Family/Relationships

Career

Finances

Notes



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MODULE

2

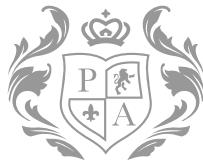
MODULE 2 APPENDIX

• PEG IN THE SAND JOURNAL

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PLATINUM ACCELERATOR

Part 1

The Peg in the Sand

Introduction

Over the years I have been blessed to participate in and witness many feats of extraordinary endurance, incredible willpower and focus and even triumph over unbelievable hardship. I consider myself blessed because much can be learned from analysing the process of success and accomplishment and actually achieving whatever it is you put your mind to.

The purpose of this journal is to not only inspire and motivate you, but to provide a guide and a framework by which anyone can determine their peg or pegs in the sand (or goals) and then have a process to follow in order to achieve them. Many people get so caught up in the chaos and the drama of their lives that they don't ever actually spend the time to stop and think about what it is that they want, what they want to be doing with their lives, where they want to go or who they want to be. In fact, for a lot of people the mere act of 'thinking' seems to be a dim dark distant memory.

Already you have set yourself apart from the majority, because you are here and now at least contemplating making a change, contemplating the possibility of what you are capable of, of what might be possible. Stick with me. Have an open mind and give it a go. Make this journal yours. Own it. Write all over it. Love it.

The Peg in the Sand

Putting a peg in the sand is a very symbolic statement as it symbolises the process of clearly defining your goals and knowing exactly what it is you are shooting for. When you set your goals (consciously or subconsciously), the fact that you go about achieving those goals provides the conscious and subconscious mind with a benchmark of success. The empowerment that this brings is enormous. The feeling of accomplishment and satisfaction of actually doing or achieving something that you have set out to do, regardless of how small, builds precedence for you being a winner, being an achiever, being successful. When you start to make a practice of putting a peg in the sand and doing everything in your power to make it happen, anything is possible.

Personal success for most people brings contentment and happiness although success itself does not have to be measured in dollars and cents. It is more accurately measured in achievement of goals (which certainly do not have to be financial ones).

I challenge you to question yourself: What is the definition of success for me? It can come in many forms. It can be a financial success. It can be a relationship success. It can be the success of raising happy, healthy children. Whatever 'success' means to you, will determine what you actually achieve.

Everything that we accept in today's realities started as a thought or an idea in someone's mind. Many books are written about the power of the mind, and how thought processes can change your reality. Whatever your philosophy on that front, the fact is that successful companies all have budgets, targets, forecasts and plans. All you have to do is think about your financial future as a business and run it as you would any efficient business.

No one is going to care as much, or put in as much effort, as you do with respect to your financial future. It's up to you to do the planning and take the necessary action - just as it was up to me to clearly set my own goals and action them.

The process of working out exactly what you want is the road map, and the goal-setting and planning process is how you will get there. Life is one big choice. The decisions that we make every day, every hour, every minute and every second determine the person we are, the type of life we lead, the people we associate with, the material things that we own, and the mark we leave on this world.

Deciding what we want in our future is one of the biggest decisions that we will make and that decision will be constantly changing and evolving. It is a decision we will make over and over again.

The Golden Rules of Goal Setting

Here are a few important things to remember when setting goals for yourself.

Own It

Firstly, they must be your OWN goals. Somebody else's ideas will not cause you to 'burn inside' to achieve them. You must own them. I remember one year I set a goal of getting my bronze medallion in lifesaving, which was a very big ask at the time, considering I couldn't even swim at that point. Well, it is a goal I still haven't achieved, although I did swallow my pride and take swimming lessons with my seven year old son. But the reason I haven't achieved it yet is because it was a goal I set to please someone else, I didn't own it. It really wasn't a burning desire of mine; it was someone else's desire for me.

When you truly own your goals you give them something of yourself, you give them energy, you give them life. The more time you spend thinking about them, thinking about the accomplishment of them the more life you give them and the more of a reality they become. Too often people get so caught up in the busy-ness of life they forget to actually take time out of their schedules to even think about what they want to do, what they want to achieve or have or do.

You need to own it; it needs to be part of you – because it IS your future.

Write It

Secondly, you need to write down your goals. The power of the pen cannot be underestimated. Just the process of writing them down and reading them on a regular basis helps to keep you focused on your goals and not let them slip by the wayside.

I make a habit of setting aside some time on a regular basis (usually at least weekly) to review my plan, which in essence are my achievement goals, and determine whether things are still on track or whether I need to tweak my approach. Because I run a number of different businesses in a number of different industries it is not just important it is essential for me to have my personal and business goals documented. It is the only way I can effectively compartmentalise each sector of my businesses and personal goals.

Want It

Thirdly, your goals must be such that you are compelled to chase them. You must want it bad – real bad! It must be a goal that you are prepared to commit your all to – every part of your being. Have you ever met or heard of someone who is passionate about something – anything? If you have, you will have felt their passion, felt their burning desire – and it's contagious, infectious and compelling! Everyone wants to be around them. Everyone wants to have a part of that level of excitement and energy.

It doesn't matter whether someone has a burning desire to change their personal financial circumstances or a burning desire to save orphans or house the homeless. Any achievement of any magnitude starts with an idea, a thought in someone's head and a burning desire to make it happen.

Have you ever noticed when a chef is really passionate about his or her food, their restaurant is usually one of the most successful. When sports persons or coaches live, eat and breathe their sport, they are the ones everyone else wants to imitate. Finding that passion, that energy for what you do want not only makes the process fun and enjoyable, it speeds up the achievement process as well.

See It

Next, you must be able to vividly imagine the time when you have achieved your goal. But more than just being able to see yourself either have that thing or have achieved that goal, you need to be able to conjure up the feelings and thoughts you will be experiencing at that time of your achievement in the future and practice them now. Imagine it, feel it, taste it, see it and act it now, as though you are already there.

For some of you this may seem a little loopy. But rest assured this a time honoured, tested and proven strategy that has been used by coaches, Olympic athletes, successful business people, mystics, fishermen trawling for the perfect catch, everyone from every walk of life since time was first documented. If you can't see yourself actually having achieved the goal that you have set for yourself, how do you ever expect to achieve it? It needs to be part of your being now and you need to have an acceptance of that goal now so that it can be part of your future.

If you can't see something as being a possibility, in fact an inevitability in your future, it won't be. It's a little bit like a desert nomad not being able to visualise sitting down in front of a plasma screen TV and watching a documentary on how the tribes live in the desert. Because the visualisation of that thought it not possible, neither is the eventuality of that goal possible.

Commit to It

And lastly, you must ask yourself:- ‘Will I pay the price?’

As the Dalai Lama says, “Judge your success by what you had to give up in order to get it”.

Are you truthfully prepared to do whatever it takes to reach that point of achievement you have set for yourself? Sometimes people think they set goals for themselves but they are really just toying with dreams because they have absolutely no intention of putting in the effort and commitment required to make that goal a reality. Think hard about what you set as your goals and be prepared to commit your all to their achievement. It might mean hard work. It might mean trying a number of times before you achieve it. It might even mean giving up something else in order to achieve it.

I remember talking with one of my students and asking him what his goals were. The student said he wanted to be a millionaire, but then in the same breath started to tell me how little time he had to make it happen and how busy his life was. The student had already defeated himself in the one sentence and set up an excuse for why he wouldn’t be a millionaire. But worse than all this, when I asked him how much television he watched and how he chose to spend his evening and weekends, and would he be prepared to maybe get out of bed an hour earlier to work the achievement of his goal – his face went solemn, he started to blush. In that instant I believe he recognised why he was not already a millionaire.

It is very important to acknowledge the difference between a dream and a goal. A dream is something you wish for - things you enjoy thinking about but really don't know when, or even if, they will happen. To a point it is wishful thinking.

A goal, on the other hand, is a specific thing you have decided to accomplish within a clearly defined time period.

For example: “Someday I'm going to lose weight” is a dream.

Whereas, “Within the next 7 weeks I'm going to lose 5 kilos” is a goal.

Dreams are healthy and necessary; however they need to be transformed into goals before you have a hope of achieving them. But all goals start with dreams. It is the continued focus and strategising that turns a dream into a goal and ultimately, by adding determination and action, you turn a goal into a reality.

Once you have created your list of goals, don't just put them away and never look at them again. Your goals are something that need to be with you on a daily basis. They need to be ever-present in your everyday reality.

Choices

Knowing that you want to change is the ultimate start but knowing what you want the change to be is a little more complicated. At this point you need to sit down and spend thinking time defining what it is that you are seeking: financial independence, a happier relationship, more time with the kids, more time in general, a new car? List all the things that you would like to have in your life and list the things you would like to discard in your life as well. Sometimes it is easier to define what you don't want rather than what you do want, but don't get caught in the trap of focusing on all the negatives. Turn it around. If something doesn't suit you – just think about what it is that does suit you and write that down.

When setting your goals, it is important to really feel your goals. Emotions and feelings are extremely powerful forces within us. They serve to remind us on a semi-conscious level as to why we are striving for our goals and how we will feel deep inside ourselves when we achieve our aims.

You need to feel the outcome, feel the achievement of the goal.

If it is a physical thing:

- What does it look like?
- What does it smell like?
- How do you feel when you possess it?

If it is an action or deed:

- What does it feel like to achieve that goal?
- How do you look, now that you have achieved the goal?
- How do others feel about what you have done?

Emotion adds strength and passion to the goal setting process. Persist and you will succeed. I had so much pain in my reality that clinging to my goals and having them ever present in my day-to-day operations was completely natural.

Feeling the achievement of a goal, particularly if you are not accustomed to the process, can be difficult and needs practice. Spend a little time every day sitting in a quiet place just thinking about how amazing it will be, and incredible or relieved or quietly chuffed you will feel when you have achieved that goal.

Taking out some quiet time in your busy schedule is often difficult, so actually write it into your diary, put it in your schedule, turn off the phone for 15 minutes, set the alarm for 15 or 30 minutes earlier. Don't let the excuse of lack of time be an obstacle. Make the time. If your goal is important to you, give it the respect it deserves and allocate the time and resources you need to make it happen.

Money

Here is your first challenge. A lot of people have a fear of having money. They normally won't admit it, but in reality they do. If you had all the money you could ever want, do you know what you would do with it? When asked this question the natural response most people give is "of course". We all like to think that we do, but do we really? Think about it.

What would you do with \$100? This is an easy one. It doesn't take much to spend \$100. You may want a new dress or go out for a nice dinner or spend it on silly little things.

What would you do with \$1,000? \$1,000 goes a little bit further. It might be what you need to clear some bills or to buy a new TV or another electronic gadget. But again, it doesn't take all that much to spend it.

What would you do with \$10,000? This sum of money is a little bit more serious; \$10,000 could be that dream holiday that you have wanted to go on, or the beginning of a share portfolio or part of a deposit on a house. It will go further, but it is still not that hard to spend.

What would you do with \$100,000? This is a nice sum of money and will afford an investor a great beginning. Although to some this will be a LOT of money, it is not enough to retire on nor will it go that far if you wanted to buy something substantial. It will buy you a beautiful luxury car or an extensive luxury holiday but it won't buy you much of a house at least not in the bigger cities, though depending on where you lived or planned to buy it could be ample. But it is a comfortable amount of money that would give anyone a great head start and could go a very long way with a bit of lateral thinking and savvy investing.

What would you do with \$1,000,000? Now we are talking serious money. This is the sum most people dream about. Along with those dreams usually comes an extensive wish list that would see this seemingly in-expendable amount of money dissipate quite quickly but the average person would have no trouble dreaming about this amount of money or how to spend it, wisely or otherwise.

What would you do with \$10,000,000? This is the sum most people have a problem with - \$10,000,000. For starters most people don't dream about this amount. They would be happy with the \$10,000 to the \$1,000,000 range so they don't usually think quite this high. To most people it is unattainable, but then what to do with it is an even bigger question, one that a lot of people will have trouble answering. At \$10,000,000 the wish list usually runs a bit dry; there are only so many cars that you can have, or houses that you would wish for, holidays to be had. \$10,000,000 also requires a degree of maintenance. If you spend it all on houses and cars and holidays, there will come a time when you are going to need more money to maintain all of these things. Realistically most people would not know what to do with their \$10,000,000 and here lies part of the problem. You can't aim for something if you can't comprehend it.

Setting goals is not just about money, but money is usually a determining factor in there somewhere. We need money to live on and afford us the lifestyles that we desire. Your goal may have nothing to do with money at all. You may wish to learn something and that something may just involve dedicating time to it, but therein usually lies the money factor. Your day might be filled with income producing activities so, in order to make time to do this extra activity, you may need to sacrifice some of the time used to do one of these income producing things; so it does cost money after all.

There is no escaping it, money will always play a large part in any goal setting ritual, but take a moment to reflect on the bigger picture and actually ask yourself what money means to you. What would you do with those sums of money? What sort of lifestyle do you need to afford? How big are your dreams? It is sometimes interesting to see your own answers.

Module 2 Appendix – Peg in the Sand Journal

What would you do with \$100?

What would you do with \$1,000?

What would you do with \$10,000?

What would you do with \$100,000?

Module 2 Appendix – Peg in the Sand Journal

What would you do with \$1,000,000?

What would you do with \$10,000,000?



I was born in a small central Queensland town where my first investment was a cow. As a very young child, I bred it to produce my first investment portfolio – a herd. I sold the herd to help pay for a university degree in Accounting and Economics and upon graduation, worked in a number of prestigious firms as an accountant or financial controller.

In 1994, I found myself starting over after a divorce left me with little money, pregnant and a toddler to support on my own. To get back on my feet I moved back to my home State and focused my attention on building my private client consulting business which I had been operating in conjunction with my other roles since I first got my tax agent's license.

Keen to move away from the constraints of being a solo mum who was working full time, I decided to try my hand at real estate investment focusing on properties that brought in more money than they cost me. Within eighteen months I had amassed a \$3.5 million property portfolio, boasting \$1.55 million in equity.

This totally replaced the accountancy income that I was earning by working 40-60 hour weeks through passive real estate investments.

I strategically set many goals, which I would strive to achieve, at which point I would then set another. I continued to educate myself and develop new skills and then turned to educating others on how to achieve that same level of success through investing in real estate. Although my journey was not without hiccups, I chose to learn from those.

I now have a multi-million dollar international property portfolio and am regarded as Australia's leading real estate strategist and educator. I share my knowledge through events and educational products as well as speaking and writing about a variety of topics such as personal finance, real estate investing and motivation, all while living a lifestyle where I can spend time with my family and enjoy the life that I have created.



Your Now

Where you are in life now and where you will go, have a lot to do with what type of vision you allow to dominate your thoughts, decisions and actions. The dominant thoughts, feelings and emotions you run with day to day attract more of the same into your life. Today's feelings are tomorrow's realities!

There are three types of vision: historical, present and future.

People with 'historical' vision spend a lot of time reflecting on the good old days and what used to be. They are reluctant to accept new ideas or opportunities and they have trouble sticking to anything challenging. What is worse, individuals with historical vision who are uncomfortable with the growth of others because it threatens their structure and apparent equilibrium. So a positive change in a partner or friend is something they fear and try to resist.

People with 'present' vision live for the 'now'. They are not obsessed with the past, but neither are they focused on the future. These people have tremendous potential for improvement, but they need a prop or support to continually encourage them to focus on the future.

People whose daily actions are governed by 'future' vision are continually growing and learning, taking on new challenges, creating, modifying and improving their future. The past experiences of these people are not ignored, but are used to develop skills that will help them be more successful in the future.

When you develop a strong future vision you do not have to force yourself to set goals, your mind automatically compels you to set them. Every time an objective is accomplished it is not the end but the beginning of a new goal, challenge or objective.

Future visionaries still have obstacles between themselves and their goals; however their strong focus on the end result allows them to work around the obstacles to a successful outcome.

Module 2 Appendix – Peg in the Sand Journal

Where are you now?

Which one are you?

Which one would you like to be?

The answer should have been 'future'; if it wasn't you need to read the definitions again since 'future' visionaries are the ones that are going to achieve their goals.

Module 2 Appendix – Peg in the Sand Journal

What is your lifestyle right now?

Health...

Relationships...

Career...

Module 2 Appendix – Peg in the Sand Journal

Wealth...

Personal growth...

General...

Module 2 Appendix – Peg in the Sand Journal

How would you like your lifestyle to be?

Health...

Relationships...

Career...

Module 2 Appendix – Peg in the Sand Journal

Wealth...

Personal growth...

General...



Richard Branson has certainly made his mark as the flamboyant entrepreneur behind the Virgin empire. His first foray into the business world was at just 16 years of age when he started Student Magazine. By the age of 20 he had founded Virgin after purchasing crates of 'cut out' records from a record discounter across the English Channel. He went on to sell these through retail outlets and a mail order service at discounted prices.

Eventually he opened his own record shop in London, which evolved into more stores as well his own Virgin Record label. This offered the opportunity to fledgling artists to record in a studio he had installed on his estate, purchased from the proceeds of his stores. His first Virgin Record release was Mike Oldfield's Tubular Bells, which through its chart-topping success paved the way for a string of successful and sometimes controversial signed bands.

Richard Branson didn't stop there nor did he stick to what he knew. He has gone on to make the Virgin brand one of the most successful brand names in the world under a variety of guises: Virgin Atlantic Airways, Virgin Mobile, Virgin Blue, Virgin Express, Virgin Galactic, Virgin Money, the list goes on.

In Branson's first editorial for Student Magazine he wrote that he wanted to change the world and he has indelibly left his mark. As his entrepreneurial success has expanded, so have his interests. In 2007 Branson launched The Virgin Earth Challenge, a global science and technology prize of \$25 million to anyone who is able to demonstrate a commercially viable design in the successful removal of greenhouse gases from the atmosphere.

The goal posts continue to move and Branson's business and environmental interests persist, with not even the sky being the limit. Virgin Galactic's plan is to pave a frontier in suborbital space travel, with flight tickets to be made available to the paying public in the future.

Clearly, Branson knows no bounds and continues to make every dream a reality.



Module 2 Appendix – Peg in the Sand Journal

Describe each goal in detail and categorise your goals.

Health...

1. _____
2. _____
3. _____
4. _____
5. _____

Relationships...

1. _____
2. _____
3. _____
4. _____
5. _____

Career...

1. _____
2. _____
3. _____
4. _____
5. _____

Wealth...

1. _____
2. _____
3. _____
4. _____
5. _____

Module 2 Appendix – Peg in the Sand Journal

Personal growth...

1. _____
2. _____
3. _____
4. _____
5. _____

Investing goals...

1. _____
2. _____
3. _____
4. _____
5. _____

Notes...

Module 2 Appendix – Peg in the Sand Journal

Example;

Describe each goal in detail and categorise your goals.

Health...

1. *Lose weight*
2. *Eat healthier*
3. *Get fit*
4. _____
5. _____

Relationships...

1. *Marry a wonderful man*
2. *Spend more time with my family*
3. *Spend more time with my friends*
4. _____
5. _____

Career...

1. *Find a job that I am passionate about*
2. *Write a novel*
3. *Spend less time working and more time enjoying life!*
4. _____
5. _____

Wealth...

1. *Make lots of money*
2. *Buy my own house*
3. *Start up an investment portfolio*
4. *Pay off my credit cards*
5. *Save enough money for a nice holiday*

Module 2 Appendix – Peg in the Sand Journal

Personal growth...

1. *Develop my writing skills*
2. *Learn more about real estate*
3. *Be more positive*
4. _____
5. _____

Investing goals...

1. *Buy 4 investment properties in the U.S.*
2. *Buy a holiday home in Hawaii to visit annually*
3. _____
4. _____
5. _____

Notes...

Your “why’s”

The next thing you need to ask yourself is why you want to achieve these goals. This is a really important question. Many people don’t know why they have certain goals and, upon further reflection, realise that this may not in fact have been ‘their’ goal. It may have been a goal ingrained by a parent or teacher or partner.

Alternatively it may have been an element of a much more heartfelt goal. For example someone may loosely say that they want to become extremely wealthy and when asked why, the reason may be that they want to have the financial stability so that they can paint, or travel the world, or work in an underprivileged country and help to house orphans. So when put under the microscope, becoming extremely wealthy is not really what they want at all, at least, it is not the driving force; what they want is to create the means to be able to do something that they are much more passionate about.

You need to be specific. If travelling the world without having to worry about money is what you want, that should be your goal, not simply stating that you want to become wealthy.

Have you ever heard the saying “be careful what you wish for”? Well, it is an important one. If you set goals without being specific or really delving deep into what you actually want, how can you ever achieve it? You may become extremely wealthy, because that is what you are focused on, but you may never then go on to travel, because the reason for wanting to become wealthy in the first place has been overlooked. You might be wealthy and too busy managing your empire to ever be able to take time off to travel for pleasure!

By focusing on the travel aspect rather than on the financial aspect you could start working towards your goal in various ways. You could learn a language, or research various destinations. Get some prices even, so you know exactly what you are aiming for. Once you have determined the big picture, as in ‘travelling the world’, you can start to dissect the components of this big picture.

For instance ‘the world’ is made up of dozens of countries – which one would you like to see first? Then which one would you like to see next, and after that? Then you decide how much time you would like to spend at each place; what is your purpose for the visit? How much is it going to cost? Now you have something tangible to deal with; a cost and a time frame – so decide a date and work out how much you need to save each week to make that date. Is it realistic? If not, review the date. If it is, well what are you waiting for? Book it!!!!

Most of the time, it is not as simple as that. There are all sorts of factors that affect a decision and the path towards achieving a goal: family, friends, work commitments, health. But each problem or obstacle can also be broken down into components that can be dealt with in a similar manner. Health for instance: you haven’t been well. Ask yourself why? Maybe you have

Module 2 Appendix – Peg in the Sand Journal

been run down because you have been overstretching yourself at work. Why have you been overstretching yourself at work? It may be your own business and you are doing everything yourself, you need help.

So the action plan to this might be to hire some staff and delegate the elements that you can delegate, free up some time that you can spend relaxing and working on regaining your health and so on.

Again, it is not always that simple but by looking at the source of a problem or obstacle, sometimes you gain a greater insight to your own life that can make a huge difference to you on a day to day basis just by recognising that fact. You need to begin somewhere so looking at yourself is as good a place as any.

Module 2 Appendix – Peg in the Sand Journal

Example;

Why would you like to achieve these goals?

Health...

1. *Lose weight - so I can fit in a smaller dress size and feel good about myself.*

2. *Eat Healthier - so I feel good about myself.*

3. *Get fit - so I can go on a hiking holiday and feel good about myself.*

4. _____

5. _____

Relationships...

1. *Marry a wonderful man - I would like to get married and have children.*

2. *Spend more time with my family - I like spending time with my family.*

3. *Spend more time with friends - I have been busy so haven't seen them much.*

4. _____

5. _____

Career...

1. *Find a job that I am passionate about - I hate the job I have now*

2. *Write a novel - I have always wanted to write a book.*

3. *Spend less time working and more time enjoying life! - I hate the job I have*

4. _____

5. _____

Wealth...

1. *Make lots of money! - so I can write and travel.*

2. *Buy my own house - I rent and would like my own house and garden.*

3. *Start up an investment portfolio - I would like to save for my future.*

4. *Pay off my credit cards - I feel like I am always going backwards.*

5. *Save enough money for a nice holiday - I would like to go to Hawaii.*

Module 2 Appendix – Peg in the Sand Journal

Personal growth...

1. *Develop my writing skills - so I can feel confident enough to write my book.*
2. *Learn more about real estate - so I can buy investment properties for my future.*
3. *Be more positive! - lately I have been really negative.*
4. _____
5. _____

Investing goals...

1. *Buy 4 investment properties in the U.S. - I would like to increase my cash flow*
2. *Buy a holiday home in Hawaii to visit annually - it's my favourite holiday spot*
3. _____
4. _____
5. _____

Are there any goals that now take on a greater meaning?

So that is how it works. By looking at your long list of goals, you are able to define what is really important to you and that they are really all a part of a main 'common' goal. In this instance it is financial independence so the goal of writing and travel can be pursued.

Module 2 Appendix – Peg in the Sand Journal

Why would you like to achieve these goals?

Health...

1. _____
2. _____
3. _____
4. _____
5. _____

Relationships...

1. _____
2. _____
3. _____
4. _____
5. _____

Career...

1. _____
2. _____
3. _____
4. _____
5. _____

Wealth...

1. _____
2. _____
3. _____
4. _____
5. _____

Module 2 Appendix – Peg in the Sand Journal

Personal growth...

1. _____
2. _____
3. _____
4. _____
5. _____

Investing goals...

1. _____
2. _____
3. _____
4. _____
5. _____

Are there any goals that now take on a greater meaning?

Module 2 Appendix – Peg in the Sand Journal

Are there any goals that now less important to you?

Cross these off your list. Don't waste energy on pursuing goals that you are not passionate about.

Now, how are you going to feel when you have achieved these goals? What sort of a difference is it going to make to your life? These are important questions to ask yourself. Define the emotions: elated, confident, successful, happy, empowered. These are all the things that you need to start feeling now. You need to feel the success as if it has already happened and visualise yourself feeling that way in the now.

How are you going to feel when you have achieved these goals?

What sort of a difference is it going to make to your life?



Jonathon Welch was a successful tenor in his own right, teaching, performing and conducting for many years before being inspired by the Montreal Homeless Men's Choir. The result of this was nothing short of extraordinary.

Jonathon took 50 individuals that were either homeless or severely disadvantaged and helped mould and mentor them into a community street choir that became known as The Choir of Hard Knocks. Through ABC TV, the trials and tribulations of these individuals and their lives were documented and televised and became a successful TV program that went on to touch the lives of millions of viewers.

It was not so much Jonathon's passion for developing another choir that motivated him to take on this project. It was seeing helpless and disadvantaged people that were not able to help themselves and to want to make a difference to these people's lives in a way he knew how.

It was more than just taking them off the street and providing a roof over their heads. It was about giving something to them on a much deeper level, making them believe in themselves and that anything is possible.

The project was not without risk. Working with the choir members was at times unpredictable; there was uncertainty that there would be an audience for the TV series and the ticket sales for the Melbourne Town Hall concert were so slow it was feared that production costs would not even be met.

However piece-by-piece it all came together and the concert was a success that could only have been imagined. Not only did the choir deliver an extraordinary performance, they have recorded 2 CD's and Jonathon, for his involvement with the choir, was awarded the Australian of the Year: Local Hero award. The show also won a Logie award for Most Outstanding Factual Program, although probably the greatest reward was the sense of pride that was left with every individual involved.





PLATINUM ACCELERATOR

Part 2

The Planning Process

Timeframes

When defining a goal, something that is often overlooked is the timeframes of when these goals should take place. It is all very well to have goals but if you don't set deadlines for them, then how are you going to work towards them? As individuals we respond to deadlines and instinctively strive to meet them. If we don't set deadlines it is human nature to put off and postpone those items that we don't have deadlines for. We subconsciously tend to categorise them as having lesser importance than the items that we do have deadlines for.

So a deadline or timeframe is a very important factor in the goal setting process. Having said that, it doesn't mean we should beat ourselves up if we don't achieve these deadlines, assuming that they are realistic deadlines in the first place. Constantly revising our progress is equally important. It allows flexibility to extend or shift time frames to allow for the unexpected or ease the pressure without making yourself feel like you are abandoning or neglecting your dreams.

Have a think about some of the goals that you would like to achieve in the various categories from the previous chapter. Think about when you would like to achieve these goals; this month, next month, next year, 10 years? Using the worksheet provided, break down each goal into components and add a time frame.

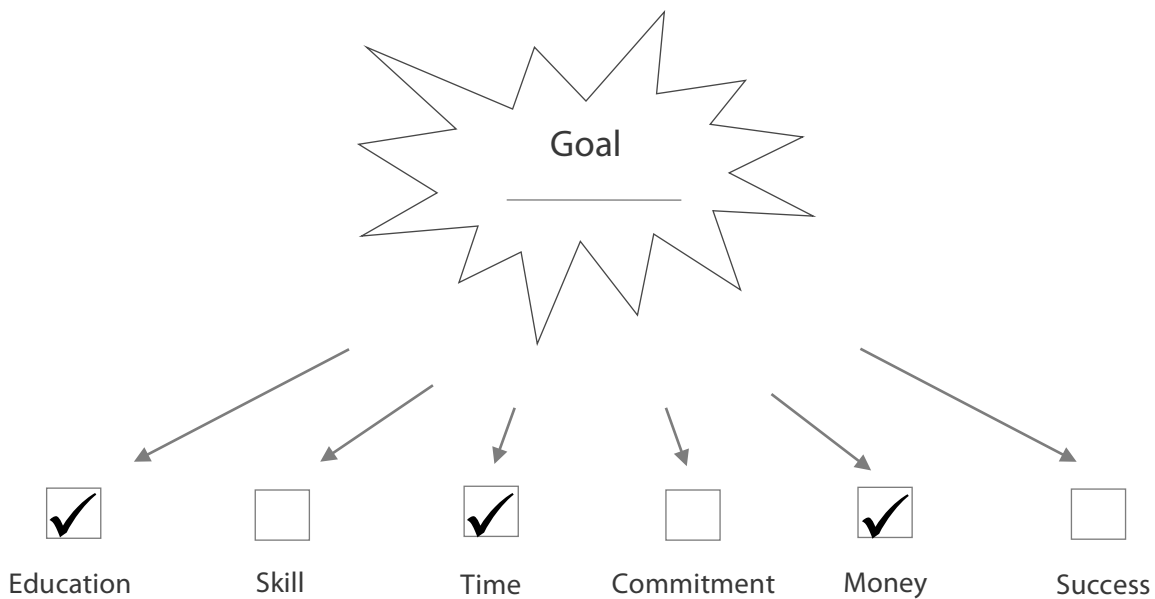
When breaking each goal down into components you need to decide on what the key elements to its success may be. Is it education or skill? Is it the time to do it or the personal commitment? Is it the money?

For instance you may want to write a book but feel that you don't have the writing skills so there may be a course that you may be able to do. Then break that down into a timeframe of when you would like to do it. You may have holidays coming up so you could maybe do a two week full time course. Or, if you may choose to do a two hour course, once a week for twelve weeks. Be realistic and break it down into a timeframe that is achievable for you.

By breaking down a goal to what may seem to some as minor components, it allows you to see what in fact needs to be done on a daily, weekly or monthly basis to achieve that goal. As you tackle each component individually you will often work a long way towards achieving your goals without even realising it.

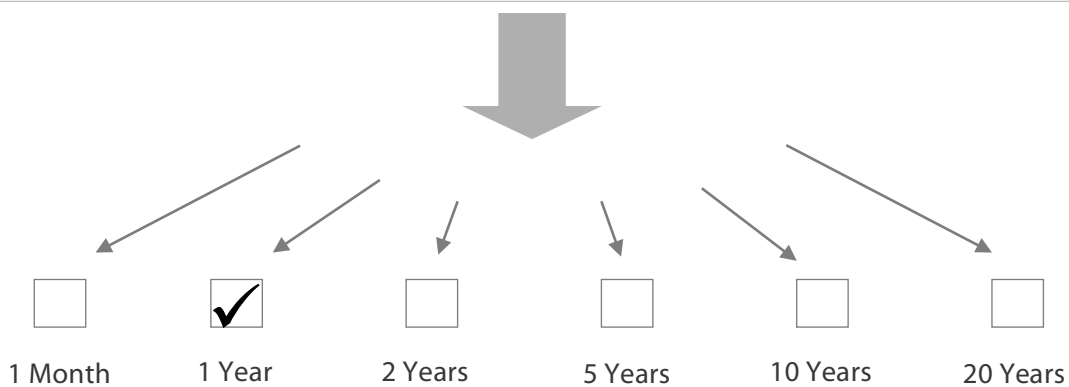
Select your 5 most important goals (do more if you want to) and use the following worksheets for the goals that have the greatest priority to you. These worksheets will help you to recognise the components needed and set some timeframes so that you can break down your goals further.

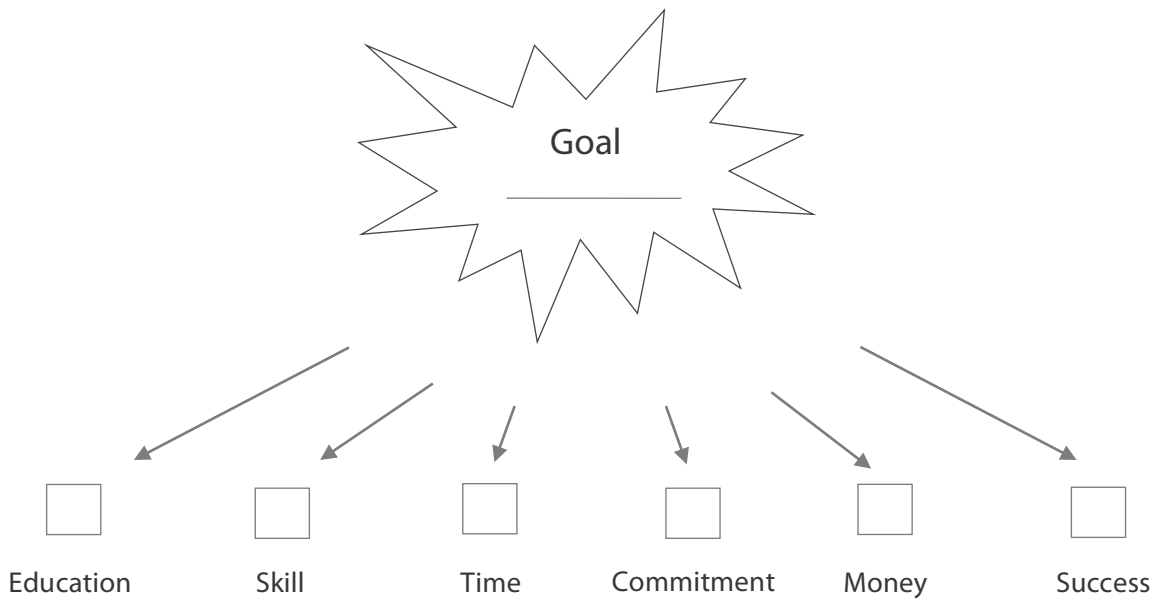
Example;



Things that can be done to help achieve success

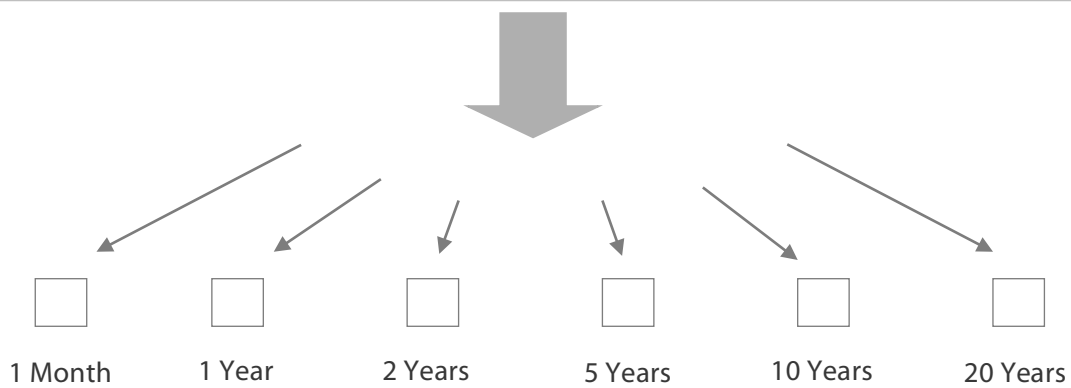
1. Look at ways to gain additional income through investing
2. Spend time each day researching real estate and other investment strategies
3. Save enough money for a deposit
4. _____
5. _____

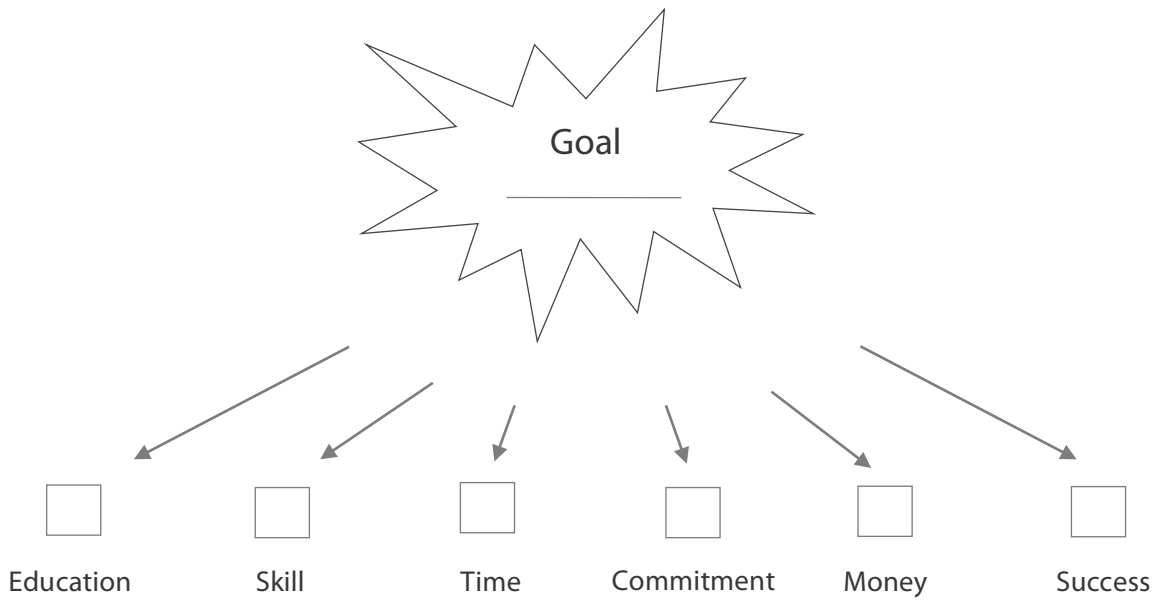




Things that can be done to help achieve success

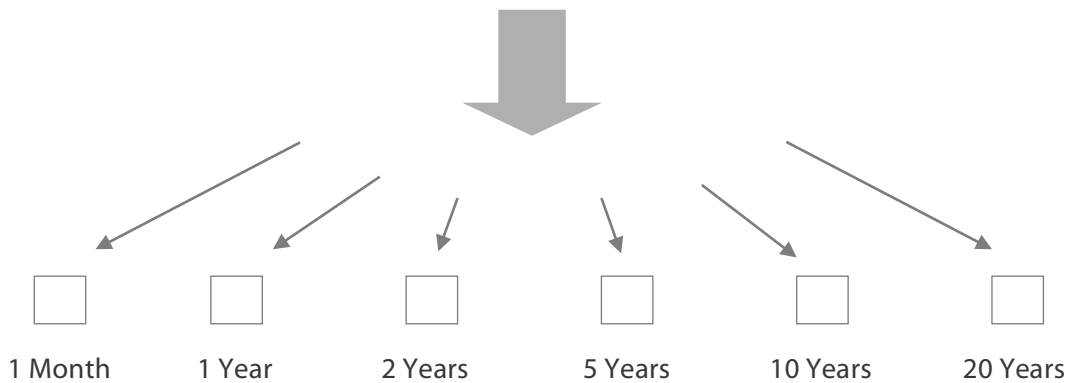
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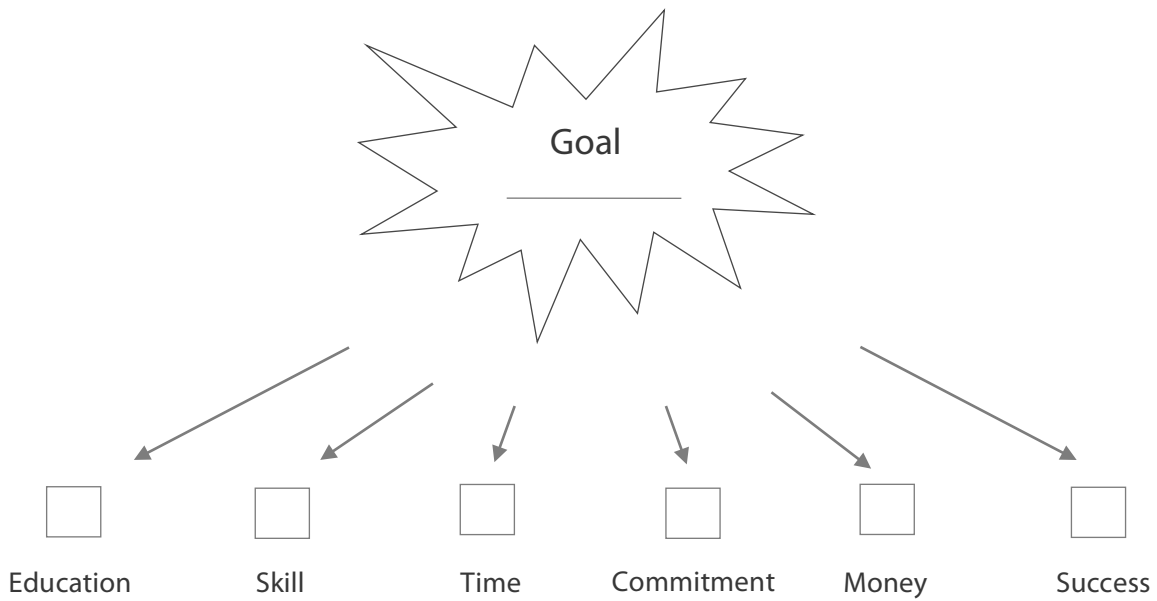




Things that can be done to help achieve success

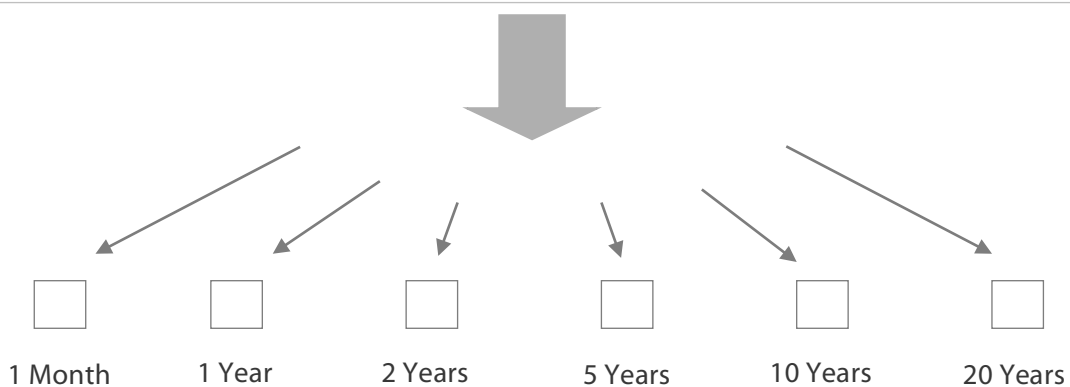
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3. _____
4. _____
5. _____

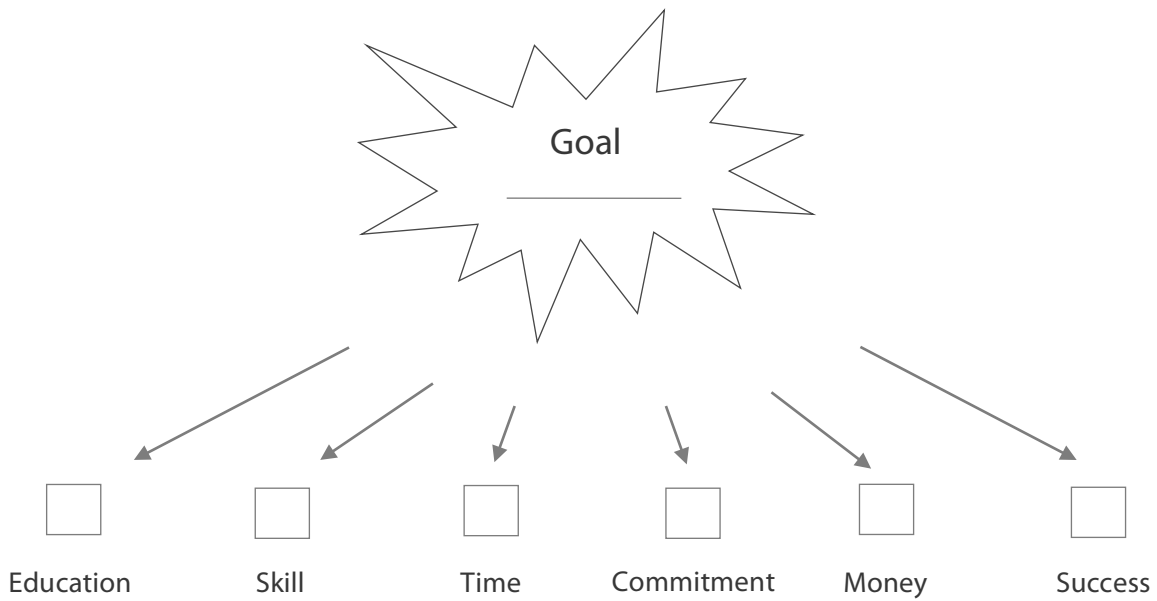




Things that can be done to help achieve success

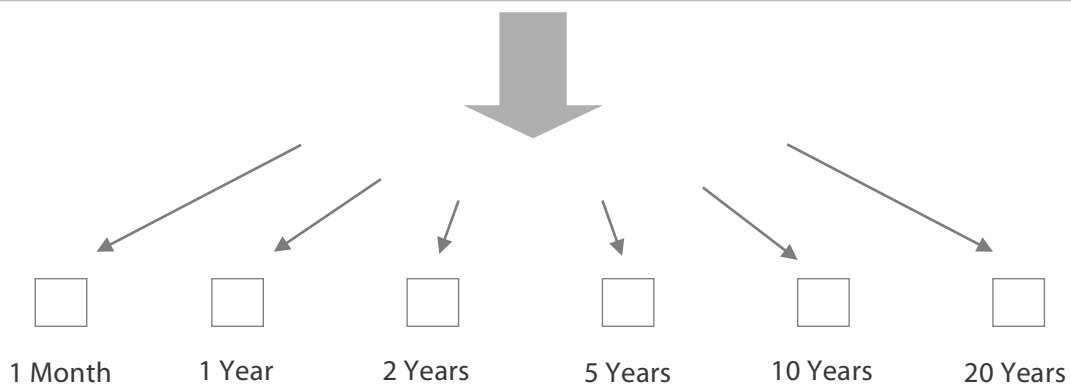
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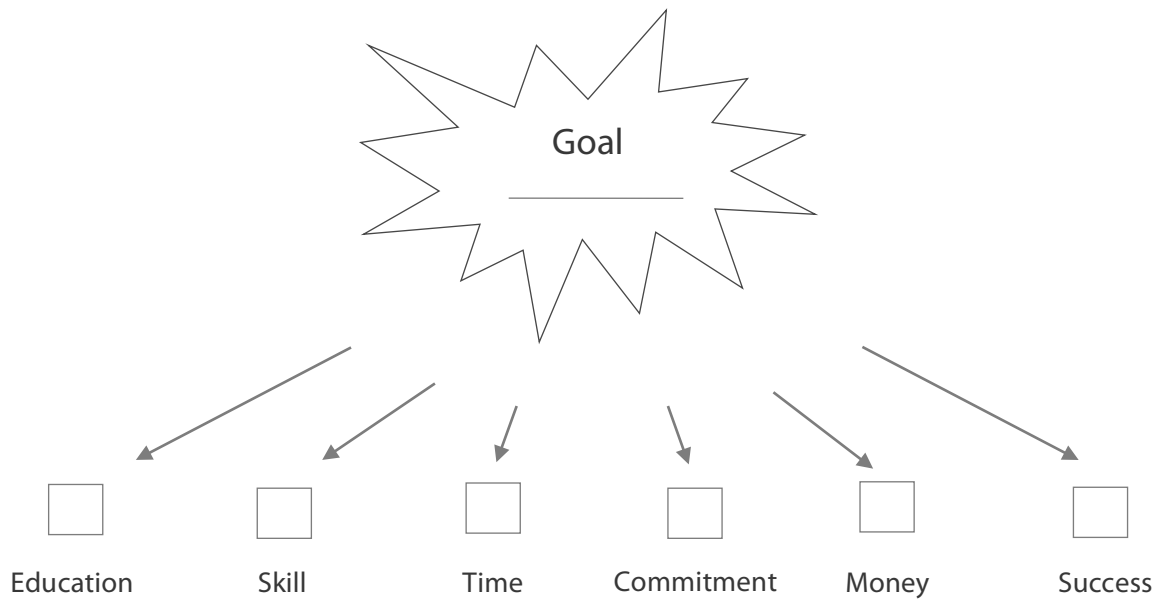




Things that can be done to help achieve success

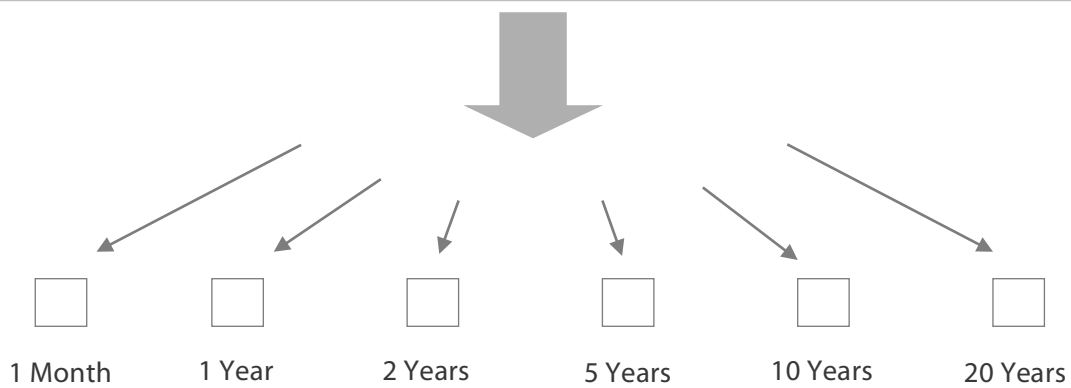
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2. _____
3. _____
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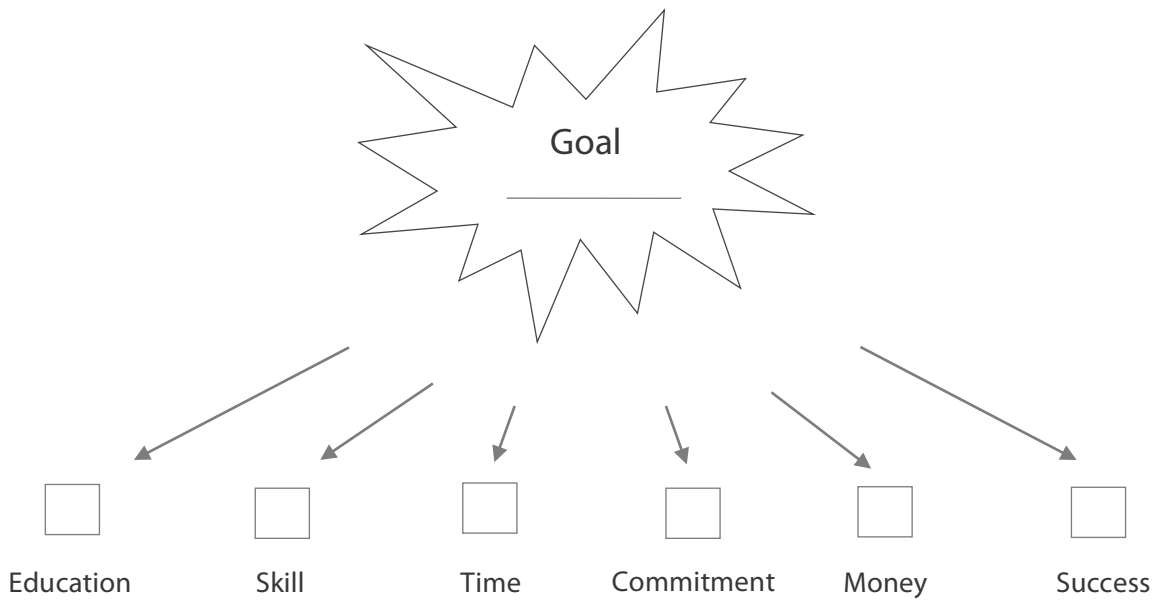




Things that can be done to help achieve success

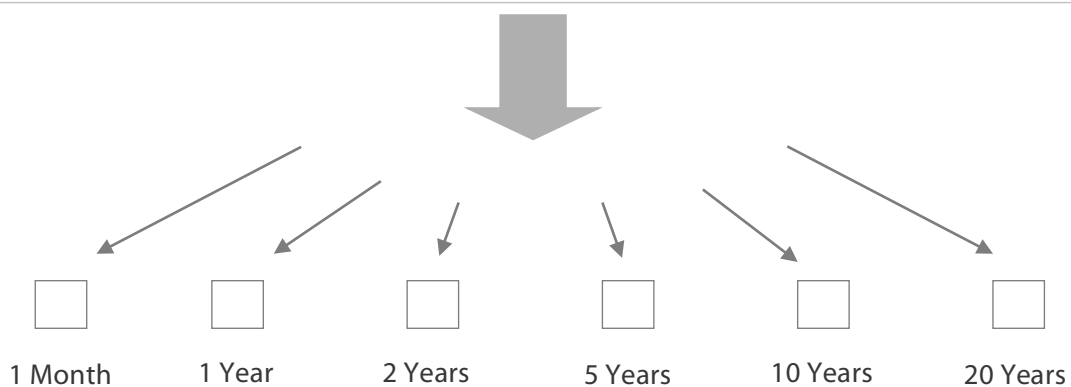
1. _____
2. _____
3. _____
4. _____
5. _____





Things that can be done to help achieve success

1. _____
2. _____
3. _____
4. _____
5. _____





U.S President Eisenhower changed the face of American road travel through his goal to see the development of the Interstate Highway System. His dream was to construct a modern system of highways that linked the whole of America. He believed that the construction of such a highway system was essential for the security of the country and would allow easy access for the U.S military in the event of possible war or the need for evacuation in the face of natural disasters such as hurricanes.

Of course it didn't all happen overnight. Planning first began in late 1938 with the introduction of the Federal Aid Highway Act to determine the feasibility of such a project. It wasn't until 1947 that the first route for construction was announced and even then it was without any authorisation of funds with which to build it. However in 1952 the initial funding was finally authorised with subsequent funding authorisation as work progressed.

The project was ambitious to say the least but in 1956 work finally began and section-by-section it grew and interconnected, eventually changing the way in which every American would travel. Once remote areas became accessible, travel became faster, safer and a whole range of industries prospered alongside it; trucking, tourism, petrol or gas stations, fast food and hotels. The system is unrivalled and to this day encompasses over 46,000 miles.

The Interstate Highway System began as just one man's dream to safeguard his country and by examining the system in its entirety the blueprint was dissected into smaller highway systems within each state. These were then dissected further into industrial centres, metropolitan districts or core traffic routes and the connection between them. Funding was authorised for each stage's completion. The project took years to complete, but through determination, clever thinking and this dissection into manageable individual segments the system eventually became the complex combination of highways and interstate routes that it is today. This was all from one man's dream.



Module 2 Appendix – Peg in the Sand Journal

Now, once you have filled out these worksheets you will start to identify not only timeframes to achieve your goals, but you will also find that you have identified elements of your goals that you will need to work on to achieve these goals.

For instance in the example, I have set a timeframe of two years to buy a house. However, to buy a house I have identified that there are four major elements that need refining in order to achieve this goal: education, time, money and support. Alternatively if it was a book that you wanted to write it may be skill, commitment and support.

In the example of buying a house, education equates to learning about investing; whether it is real estate or the share market, there is a lot to know. You may understand finance but do you understand it well? Maybe you have a basic understanding, but not enough to have confidence investing your own hard earned cash. So in this instance an investing course or investment seminars could be a good starting point. So then you need to ask yourself in what timeframe can you accomplish this? There might be a six month evening course or weekend workshops. So on the next worksheet, write at what point you may wish to have begun or completed that investment course or dates of the workshops you would like to attend. If you don't know, then allocate some time to find out.

Time is the next thing you need to look at. Where can you factor in some time to work on your goals? You have identified that if you can spend just one hour a day researching or revising things that you have learned, you may be able to accomplish this goal. You can use that hour to do research, search the internet for properties, trade on the stock market, read or actually do a course or attend a workshop. From there you can map your progress.

The first month you may have dedicated that hour to devising a budget in order to save some money and looking into a course, enrolling etc. The second month you may have begun that course. The month after that you may wish to do some research or revision. Of course after the sixth month you have finished your course and now you have the confidence to actually begin trading in the stock market. So now you may set yourself a target on your investment strategy.

Money is probably the greatest obstacle on your list and will most likely be on most people's lists. As mentioned previously, devise a budget, then look at additional ways to save or earn extra income; promotions at work, part time jobs, get rid of your unwanted clutter and have a garage sale, make your own lunch to take to work instead of buying it every day. Little things can go a long, long way and collectively can add up to thousands of dollars over the course of the year.

The final thing on your list of needs is support and it is just as important as education, time and money; it can sometimes be the determining factor as to whether you can in fact free up the 'time' to obtain the 'education' or earn the 'money'. If you have family, it might be time for a discussion to delegate certain household chores to free up that time. It may simply be the

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understanding to allow you to have that time for 'you' and support 'you' in your goals. Support can also be that of friends, outside encouragement as well as support derived from support groups that are specific to your goals like an investing group, a writing group or other special interest group.

Although this is an example for buying a house, it can apply to every other goal: weight loss, travel, writing a book, new car, new career, relationships – anything. It is the process of identifying components that can be broken down to daily habits and tasks, that, bit by bit, connect to achieve the common goal, your goal.

Now, from your previous worksheets, transfer the information onto the following worksheets. This way, at a glance you will be able to see how you have set out your goals according to timeframes. Also add some of the smaller components of your goals, for instance, starting a course, attending a seminar, devising a budget or even just making the phone calls to find out more about these things. Be realistic. The goals that are in your 1 month timeframe should be fairly simplistic and achievable. Go easy on yourself to begin with. If you set the bar too high you will discourage yourself before you even begin. As you start achieving the little things, the big things will become a natural and easy progression.

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Example:

1 Month

List the goals that you would like to achieve in 1 month

1. *Find out more about real estate investing*
2. *Join a gym*
3. *Find a new job*
4. *Spend more time with family & friends*
5. *Do a writing course*

Notes:

1 Year

List the goals that you would like to achieve in 1 year

1. *Finish a course on investing or attend some investment seminars*
2. *Lose 10kg*
3. *Buy a new car*
4. *Visit the U.S with a view to invest*
5. *Get promoted to a management position in my new job*

Notes:

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2 Years

List the goals that you would like to achieve in 2 years

1. *Buy a house*
2. *Have an investment portfolio*
3. *Finish writing my first book*
4. *Go on a holiday to Hawaii*
5. _____

Notes:

5 Years

List the goals that you would like to achieve in 5 years

1. *Buy several investment properties in the U.S*
2. *Finish writing two more books*
3. *Have an extended holiday in Hawaii*
4. *Marry and have our first child*
5. *Run a triathlon*

Notes:

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10 Years

List the goals that you would like to achieve in 10 years

1. *Own enough investment properties with cash flow to replace my income*
2. *Be a successful writer and write full time*
3. *Spend 2 months hiking through the Andes*
4. *Have 2 children and be happily married*
5. _____

Notes:

20 Years

List the goals that you would like to achieve in 20 years

1. *Earn enough money on my investments to retire comfortably*
2. *Spend a lot of time travelling and hiking*
3. *Own investment properties in several countries*
4. _____
5. _____

Notes:

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1 Month

List the goals that you would like to achieve in 1 month

1. _____
2. _____
3. _____
4. _____
5. _____

Notes:

1 Year

List the goals that you would like to achieve in 1 year

1. _____
2. _____
3. _____
4. _____
5. _____

Notes:

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2 Years

List the goals that you would like to achieve in 2 years

1. _____
2. _____
3. _____
4. _____
5. _____

Notes:

5 Years

List the goals that you would like to achieve in 5 years

1. _____
2. _____
3. _____
4. _____
5. _____

Notes:

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10 Years

List the goals that you would like to achieve in 10 years

1. _____
2. _____
3. _____
4. _____
5. _____

Notes:

20 Years

List the goals that you would like to achieve in 20 years

1. _____
2. _____
3. _____
4. _____
5. _____

Notes:

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By now you will probably have quite an extensive list of goals and it may be all starting to look a little daunting. Now you need to simplify it in your mind so it doesn't seem quite that way.

Isolate one particular goal. Maybe chose a goal that to you is the most achievable at this point in time. In actual fact they are all achievable, but because this is your first attempt, if you start with the most difficult or unlikely goal, you will set yourself up for failure as you may not be in the right mind set just yet.

Ask yourself when you would like to have achieved this goal.

Now, break this goal into timeframes and list which point of the goal falls into each timeframe. For instance, if the goal will take approximately one year to achieve, break it up into monthly components, then weekly components and then daily components. Doing this allows you to see what can be done on a daily basis to work towards achieving your goal.

If the timeframe was 2 years, then in the instance of our first home buyer the first year is put towards reviewing the current situation, devising budgets, finding a job that earns more money, taking on a part time job and trading unwanted clutter for cash. Additionally the time has been used to gain knowledge and insight into the finance industry so when a little bit of money has been saved, the best possible investment decisions can be made in order to gain the best possible returns.

Alternatively if you were writing a book, do the same; break it down into timeframes: 6 months is preparation, again courses, research etc. So now there are 18 months left. It just so happens that the book was going to have 9 chapters, so that is one chapter every 2 months. Each chapter was going to be approximately 8 pages long, so that is 1 page a week and if there was 1 hour a day set aside, weekdays only, that means that only 1/5 of a page needs to be written each day! That is not even a decent sized paragraph! So you see, once you break it down like that, what seemed unachievable is now not just possible, but probable, providing you give your goal the required commitment.

Next you do the same with another goal on the goal list. You don't need to place something in every space of the worksheet as some of these things will take longer than a month to do and will be broken down further into weekly components. But by the end of this exercise you will have a comprehensive list of things that can be tackled on a daily basis this will bring you closer and closer towards your goals, sometimes with very little effort at all.

Example:



In the first year I would like to have saved a substantial amount of money towards a deposit for a house. I am aiming for \$10,000. I would like to learn more about investing in real estate and shares so that I can maximize the return on my money.

I would also like to start looking at areas where I would like to live so when the time comes I know more about that area and its value.

I would like to create some additional income so that I can save more.

I might also have a garage sale to get rid of some of the stuff I don't need and save a bit of extra money. I will also look at my spending habits and see if there are any areas in which I could spend less.

If I pay off all of my credit cards I can also save money on interest

I will find a job that I like better, pays more money and aim for promotion.

Monthly Progress

Month 1 *Have completed a budget that will save me money*

Month 2 *Have found my new job*

Month 3 *Have had a garage sale and cleared stuff I no longer need*

Month 4 *Get a part time job Saturday mornings*

Month 5 *Have completed a course on stock market and share investing*

Month 6 *Have paid off my credit cards*

Month 7 *Have received a promotion and a pay rise*

Month 8 *Start searching on the internet for real estate*

Month 9 *Invest in some shares*

Month 10 _____

Month 11 _____

Month 12 *Have saved or invested \$10,000*

Notes:

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Example:

Weekly Progress

Month 1

Week 1 *Do up a budget based on my current income & expenditure*

Week 2 *Update my resume*

Week 3 *Start applying for jobs*

Week 4

Notes:

Month 2

Week 1 *Go to interviews / apply for jobs / get a new job*

Week 2 *Review budget - start paying down credit cards as much as able*

Week 3 *Start a major clean up and put things aside for a garage sale*

Week 4

Notes:

Month 3

- Week 1 *Have a garage sale*
- Week 2 *Take leftovers from garage sale to secondhand dealer or give away*
- Week 3 *Start looking for a part-time job to supplement my income*
- Week 4

Notes:

Month 4

- Week 1 *Look for courses on share investing or financial planning*
- Week 2 *Start following the stock market, reading, research etc.*
- Week 3 *Look at doing a work related course that may help for promotion*
- Week 4 *Look into doing a writing course*

Notes:

Month 5

Week 1 *Do some dry share trading to get a feel for the market*

Week 2

Week 3

Week 4

Notes:

Month 6

Week 1 *Have finished paying off credit cards*

Week 2 *Review budget and develop a savings plan*

Week 3

Week 4

Notes:

Month 7

Week 1 *Have received a promotion and a pay rise*

Week 2 *Look at areas that you may like to buy a house - research area*

Week 3 _____

Week 4 _____

Notes:

Month 8

Week 1 _____

Week 2 *Start searching for real estate - internet / agents / newspaper*

Week 3 *Develop a share investing strategy and plan some share purchases*

Week 4 _____

Notes:

Month 9

- Week 1 *Make some share purchases & start developing a portfolio*
- Week 2 *Look into writing for a magazine or paid writing / copywriting*
- Week 3 *Review budget and make adjustments if necessary*
- Week 4

Notes:

Month 10

- Week 1 *Actively start trading in the share market*
- Week 2
- Week 3
- Week 4

Notes:

Month 11

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

Month 12

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 *Have saved \$10,000*

Notes:

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As you can see, by allocating time and commitment to a concrete plan of action you can start to see how you can make all of this happen. Not every week of every month will be taken up and this allows you to move things forward or move things back as the need arises.

For instance, you may not get that new job that you wanted in the first week of the next month, but by allocating it space, if it doesn't happen, then you can move it forward to the next month. The important thing is to be prepared, have the resume written and allocate time to look for a job. Eventually, if you persist, something will come up.

You may also look at how your other goals can support each other. For instance if you wanted to write a book, you may be able to bring elements of this forward and make it work under the timeframes that you have set for your other goals. It may be looked at as a source of extra income. By doing a writing course or a part time course in journalism you may turn your skill into an income producing one that will assist you in your savings. Another example of this could be the part time job that you are looking for. If one of your other goals may be to lose weight, you may have noticed that the gym you attend is looking for a part-time receptionist. So here would be a way to work in an area that will help motivate you and may even result in a discounted gym membership, another opportunity to save money. It might just be a few dollars saved here and a few dollars made there, but collectively it may add up to a lot of money over time.

Depending on what your goals are, there will be similar opportunities. It is just a matter of thinking laterally and making the commitment or allocating the timeframe in which you would like to achieve them.

The next step is to break the monthly commitments down even further, to weekly and then daily increments. If you allow yourself one hour a day to work on your goals, even if it is just making phone calls or doing a little bit of research, doing those few things will make it clearer as to what the next thing is that you need to do. The little things may seem irrelevant to some, but it is actually the process that it is important – defining what needs to be done, turning it into a list, and in turn working through that list.

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Example:

Daily Progress

Week 1

Day 1	<i>Review investments & budget</i>
Day 2	
Day 3	<i>Go to gym</i>
Day 4	
Day 5	<i>Catch up with friends & family</i>
Day 6	<i>Go to gym</i>
Day 7	<i>Spend morning driving around looking at houses</i>

Notes:

Week 2

Day 1	<i>Review investments & budgets</i>
Day 2	<i>Do a night course on investing - fortnightly</i>
Day 3	<i>Go to gym</i>
Day 4	
Day 5	<i>Catch up with friends & family</i>
Day 6	
Day 7	<i>Go hiking</i>

Notes:

Week 3

Day 1	<i>Review investments & budget</i>
Day 2	<i>Go to business or investment networking meetings - monthly</i>
Day 3	<i>Go to gym</i>
Day 4	
Day 5	<i>Catch up with friends and family</i>
Day 6	<i>Spend morning driving around looking at houses</i>
Day 7	<i>Go to gym</i>

Notes:

Week 4

Day 1	<i>Review investments & budget</i>
Day 2	<i>Do a night course on investing - fortnightly</i>
Day 3	<i>Review investments & budget</i>
Day 4	
Day 5	<i>Catch up with friends and family</i>
Day 6	
Day 7	<i>Have a 'time out' day - just read and relax</i>

Notes:

Notice that not every day is filled with things that need to be done. That allows you to deal with the unexpected things that can sometimes crop up. It also alleviates pressure. Don't make your weeks so filled with things to do that you can't even bear to look at the list, you will only become disheartened. Allocate some time to do nothing; reward yourself by actually giving yourself some 'time out', you deserve it!

Although it is not necessary to break down all of your goals to this sort of detail, if you look at the 'big picture' that your goals list has given you, many goals will fall under a category or be part of a much larger collective goal. These larger collective goals are the ones that you break down to this sort of detail. By doing this, you are attending to an element of that goal on a daily basis even if it is just making a bunch of phone calls or creating time to do some reading relevant to your goals.

Not only that, it makes you review your lists constantly, it keeps you focused on your goals and after a couple of months of sticking to the lists that you have devised for yourself, you can look back and realise that you have made a huge amount of progress with very little effort. This in itself is motivating and inspiring.

Daily Goal List

1. *Make phone calls necessary for my goals*
2. *Research shares, property and investing options*
3. *Review my goals list*
4. *Exercise*
5. *Eat well; take time out to have a proper lunch break*
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:



Most people are familiar with the phenomena of Harry Potter, the boy wizard that took the world by storm in a series of books by JK Rowling. It is a success story that most would-be writers could only aspire to repeat, but JK Rowling herself couldn't possibly have predicted the mania that would ensue when she first thought up the boy wizard on a train trip back to London.

At the time she didn't have a pen to write down the ideas that came to her as she sat dreaming up different storylines and characters, so she just kept dreaming and hoped that she would remember it all when she got home. She started writing Harry Potter & the Philosopher's Stone that same evening, although by the time the book was finished it was quite altered from those first few thoughts.

A number of years went by with many distractions, but finally, after many evening visits to a nearby café with her daughter sleeping soundly in her pushchair, she finally finished that first book. After finding an agent, not without rejection, the book received further rejections before a publisher finally made an offer.

Over the years JK Rowling had also mapped out the plot and characters for an entire series of books. When the first book was finished she set about writing the others, 7 books in all, 5 of them major motion pictures which have furthered her success by becoming box office hits. The books have achieved record sales of millions of copies worldwide, have been translated into 65 languages and made JK Rowling an extremely wealthy woman.

It is a success story that people love to hear but of course it didn't all happen overnight. Six years had gone by from when JK Rowling had that initial idea on the train ride home before she had an offer from a publisher for her first book.

There were many years of writing, many years of interruptions and many years where not much writing got done at all, but she persevered and eventually the book came together and the Harry Potter phenomenon was born.



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Monthly Progress

Month 1	
Month 2	
Month 3	
Month 4	
Month 5	
Month 6	
Month 7	
Month 8	
Month 9	
Month 10	
Month 11	
Month 12	

Notes:

Weekly Progress

Month 1

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

Month 2

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

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Month 3

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

Month 4

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

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Month 5

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

Month 6

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

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Month 7

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

Month 8

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

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Month 9

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

Month 10

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

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Month 11

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

Month 12

Week 1 _____

Week 2 _____

Week 3 _____

Week 4 _____

Notes:

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Daily Progress

Week 1

Day 1	
Day 2	
Day 3	
Day 4	
Day 5	
Day 6	
Day 7	

Notes:

Week 2

Day 1	
Day 2	
Day 3	
Day 4	
Day 5	
Day 6	
Day 7	

Notes:

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Week 3

Day 1	
Day 2	
Day 3	
Day 4	
Day 5	
Day 6	
Day 7	

Notes:

Week 4

Day 1	
Day 2	
Day 3	
Day 4	
Day 5	
Day 6	
Day 7	

Notes:

Daily Goal List

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:



When Arnold Schwarzenegger started in his acting career he was told by casting agents that his body was too weird, that he had a funny accent and that his name was too long. It didn't matter that he had already achieved a high level of success as a body builder, having been titled Mr Universe no less than five times and Mr Olympia seven times. Defying the critics, he went on to capitalise on these attributes until eventually his 'too long' name became a household one that most people are familiar with. Schwarzenegger's young family life was strictly disciplined and through his unwillingness to conform and personal drive to succeed in life, he became somewhat of a rebel. The more he was told he could not do something, the more determined he was to prove that he could.

At this point it was Schwarzenegger's goal to become the greatest bodybuilder in the world. His Mr Universe title became his ticket to the United States which he considered at the time to be the land of opportunity where he could become the star that he desired to be. In the early days of his move to the United States he continued his bodybuilding and the titles kept coming; he still holds the record for the youngest to ever achieve a Mr Olympia title which he held at 23 years of age.

It was Schwarzenegger's self created business empire that thrived long before his acting career took off. As a prolific goal setter, he would write his goals or objectives on index cards at the beginning of each year and then would set about achieving them.

His next major goal was to break into the movie industry, which was proving difficult due to his own personal anomalies which caused him to face constant discouragement and rejection. However, he made headway when he landed a role in Hercules in New York, and a little later Conan the Barbarian, which became a box office hit. Finally the roles were starting to come in; he took the lead role in The Terminator, the movie and its sequels made him a household name. Arnold Schwarzenegger went on to become a Hollywood action superstar with numerous other business interests alongside a business and economics degree, but he didn't stop there. Next he set his sights on politics and, using his own unique charm and determination to be a leader, stepped into his new role as Governor of California where he continues to set goals and build dreams, not just for himself but now for the entire state.



Organising Yourself

Good organisational skills are the key to good time management and the more organised that you do become, the more time you will free up with little or no effort.

Firstly you need to isolate some time for 'you'. Look at your working week and identify times that you are usually less busy. It might be first thing Monday morning or 2pm on Wednesday afternoons, whatever, and allocate this time as being your 'you' time. During this 'you' time, you don't answer any calls or emails or work on anyone else's stuff other than your own. This is 'your' time to develop strategies and educate yourself and work on achieving 'your' goals.

Then look at the rest of your working week. Write a list of all the things that need to fit into your working week and how long they usually take you to do and allocate blocks or modules of time on a planner or in a diary for you to work on these things. Group similar things in the one module. When something unexpected comes in, rather than deal with it immediately (unless of course it is urgent) and be distracted from the task at hand, allocate it to a module to which it either relates (as part of a job in that module or similar), or there is room in that module to do other things. This saves you doubling up on things.

You may make the first hour of every day a module dedicated to answering emails and returning calls and then schedule the rest of the day around other commitments based on their level of priority. Learning to prioritise is an effective time management strategy. Keeping lists of things that need to be done is helpful when prioritising as it allows you to see exactly what needs doing. Not only that, it is very satisfying when you review your list and you can see the things that have been crossed off and dealt with.

Learn to prioritise, but don't fall into the trap of not making your goals list a priority, it needs to be right up there on the top of the list. But during the day, deal with the things that have the most urgency and deal with them first – after you have dealt with them the rest for the day will seem easy.

Priority List

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:

7 Daily Rituals

1. Health

2. Wealth

3. Family & Relationships

4. Education

5. Spiritual

6. Gratitude

7. Fun

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Daily Schedule

Module 1 _____

Module 2 _____

Module 3 _____

Module 4 _____

Module 5 _____

Module 6 _____

Module 7 _____

Module 8 _____

Module 9 _____

Module 10 _____

Module 11 _____

Module 12 _____

Notes:

Things that I can do on a daily basis:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:

Things that I can do on a weekly basis:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:



PLATINUM ACCELERATOR

Part 3

Taking Action

Once you have written down all of your goals and decided on some timeframes in which you are going to achieve your goals you will have a much clearer picture of how to go about achieving them. You will be able to see at a glance the goals that are a priority or achievable in the short term and, by breaking down the 'bigger' goals, you will also see the elements in your life on which you will need to work to achieve these 'bigger' goals

When you identify these things you will be able to outline a concise action plan and start working on these things on a daily basis. An action plan can be as simple or as elaborate as you like, just as long as the things that you are going to put on your action plan are realistic and something that you are in fact committed to. These are the things that you are going to attend to in the modules of time that you have specifically put aside. For instance, you may have put aside an hour of time every morning to make phone calls and emails, so you might have on your list a number of phone calls that you need to make; to enquire about things or to find people that will help or as part of the research process. This is when you make them.

On the other hand you may have to learn a new skill, so you allocate a time module for education and in this time you may do some reading or research or attend a course that relates to what you want to learn.

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If you break goals down into this sort of detail and every day attend to some of these details, with time you will find that detail-by-detail you are actually acting on those goals. Sometimes you are going a long way to achieving them without realising just how much progress you are making. Not only that, as you begin to work towards your goals you start to create an energy that gives substance to your goals. As you see things start to unfold or be achieved, you become more confident, feel successful and in turn attract opportunities and likeminded people that help you to further achieve your goals.

You will also be able to determine your strengths and weaknesses and work on utilising these to your advantage. A strength might be that you are good at time management, so use that strength to make sure you maximise the time for your personal development. Alternatively if your weakness is time management, then work on that. Instead of packing your day with things that you know you are never going to do, start slowly.

Start by 'time managing' one thing, then the next day two things, then three things and so on. Build momentum and give yourself time to adapt to your new disciplines. Although it is important to aim high, if you set the bar too high from the beginning you will become discouraged if you don't follow through. This makes it harder to maintain discipline in the long term.

If you recognise weaknesses that keep recurring in your character, you may choose to delegate particular tasks that relate to these weaknesses to someone else. Or if you find it hard to stay on task, you may elaborate on that weakness by associating with other likeminded people, join groups or pair up with a friend or partner who has similar goals to your own and do them together.

This can be a double-edged sword because if you pair up with someone that lacks the motivation that you have or has tendencies to be negative, it can deflate your own energy. So it is important to still act independently and draw support from others rather than just rely on it to the point of dependency.

The most important thing is to actually take action!

My strengths

List your strengths or positive aspects of your personality

1. _____
2. _____
3. _____
4. _____
5. _____

My weaknesses

List your weaknesses or problematic behaviour

1. _____
2. _____
3. _____
4. _____
5. _____

List the failures in your life and list why

1. _____
2. _____
3. _____
4. _____
5. _____

My opportunities

List opportunities for growth in areas of interest

1. _____
2. _____
3. _____
4. _____
5. _____

My obstacles

List obstacles that you can see may affect your growth

1. _____
2. _____
3. _____
4. _____
5. _____

List how these obstacles may be overcome

1. _____
2. _____
3. _____
4. _____
5. _____

Committing Yourself

The beauty of writing lists and outlining your goals is that by writing them down you are subconsciously committing to them. You are committing to the fact, that, yes, this is what you want to do with your life; this is what you want your greater purpose to be; this is what your goals are.

By writing them down, you are also committing to taking action beyond the thought process. If you are serious enough to write them down, then you are serious enough to want to effectively change your life and begin your journey of personal development and discovery.

So many people don't actually know what it is that they want in life, so defining these things can be one of the most enlightening experiences in itself.

Even if you commit just one hour per week towards working on your goals, that is a start. One hour a week equates to six and a half, 8 hour work days a year. Just think of what you can accomplish in one working week in your own life; that one hour no longer sounds so insignificant now, does it? As time goes on and your goals start to take shape, it will become easier and easier to dedicate more and more time towards working on your goals and therefore working on your future and therefore working on the real you.



When Cheryl Ryan's daughter, Maggie asked why she had to choose only one child to help in sponsoring a child from India, Cheryl had to ask herself the same question. What followed was the decision to try to help as many children as possible. Her goal was to build a western style hospital in India where once complete, medical volunteers would provide the much needed medical assistance for the community.

Having not been involved in setting up a charity before, Cheryl approached several local charities for advice before forming a committee to deal with the applications and paperwork required. Setting up a charity is not unlike setting up a business in that it needs a business plan and a firm strategy to raise the funds as well as a further plan of action for the development and construction of the hospital. Ongoing support once the hospital is operational was another factor to consider. There were obstacles in that the chosen location was India, so communication, resources and cultural aspects all impacted in various ways. A charity also needs to look at different marketing strategies to raise awareness of its cause. So Cheryl decided to write a book, 'Who is George?' which relates a story similar to the journey that they were on. The book had several purposes: to make people aware of the plight of children like George, and to raise funds (a percentage of the profits were donated to the charity). The book also allowed Cheryl's daughter to be involved at a level that she could understand. The book did prove to be a challenge in its own right - not only was Cheryl new to publishing; she also learned to paint so she could illustrate the book!

There is still a long way to go, but work is underway. Land has been purchased, a small planning office established on the site; plans have been submitted for the 46 bed, 2 theatre hospital.

Together, Maggie's Dreamcatcher (Cheryl's charity), and Red Lotus (a German charity), have raised substantial funds and continue to organise various fundraising activities throughout the year to help keep the dream alive, proving just what can be achieved with a little creative thinking and dedication.



Become Informed

It is never too late to learn and a key to achieving your goals is to educate yourself in the fields that you are exploring. Learn all there is to learn and never stop learning.

These days there is so much information to tap into; opportunities are everywhere. Research should be a part of every goal-setting plan. By informing yourself you will make good decisions based on solid facts. Whenever bad decisions are made or mistakes happen, you will usually find that the outcome may have been avoided if only you had researched it a bit more or been advised by someone that specialises in that field or that you missed out on simply benefits because you were ill informed.

Set yourself a task to spend a little time each week educating yourself. Enrol in courses and attend seminars and read plenty of books, not only on the subject or industry you are exploring, but on money management, motivation, personal development, biographies on other successful people. The added bonus is that educating yourself gains you confidence, confidence in your decisions as well as in yourself. This in turn empowers you to take charge and be in control of your journey towards achieving your goals and attaining success beyond your wildest dreams.

Reading other peoples' success stories is inspiring and motivating and makes you realise that a lot of seemingly average people have achieved some very extraordinary things. Motivational books really inspire one to take action. You may already have the academic knowledge, but you also need to make your mind ready. Motivational and self-development books are the instruments you can use to get your mind ready.

List some of the things you would like to learn and why:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:

List some courses or books that may help you:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:

Self Doubt and Sabotage

Self-doubt can be one of the most destructive and self-sabotaging elements that you will have to face when working towards your goals. Often we don't consciously recognise that this is in fact what we are doing but the reality is that it is so much easier to believe that we can't do something, or we don't deserve something than to believe that we do. Everyone has had opportunities presented to them that may have changed the course of their life if they had faith in themselves that they could do it, that they were worthy of the rewards and that the opportunity was in fact a real one. But so often when the opportunity does present itself, we can't see it for what it is.

We look for excuses as to why it won't work or why we're not the right person for the job, along with myriad other excuses. The reason is usually fear. Fear of success, fear of failure, it doesn't matter; they can be as frightening as each other but they need to be overcome and you need to recognise self doubt and sabotage when it appears and work consciously on overriding those thought patterns.

Fears

Your thoughts are your most powerful tool. Your attitude is a direct product of your thoughts. If you think negative thoughts, your attitude will be negative; if your thoughts are positive, then you generally will have a positive attitude. It is not always easy to be positive and think positive thoughts. When all is going fine it is easy, but then an obstacle or hardship comes your way and you are back to old habits. Although maintaining a positive attitude starts with you, it often helps to surround yourself with positive people. Having positive people around you is uplifting and can be an unexpected source of inspiration.

Positive people often have their own inspiring stories to tell. They are usually encouraging to others and can be quite motivating simply by being around. Seeing other people succeed or work their way towards success gives added momentum to your own experience and journey towards success and they can spur you into action, encouraging you to achieve beyond what you thought you were capable of.

There are numerous studies that lay testimony to the effects of a positive attitude, not just your ability to succeed but on your health as well. People with positive attitudes claim to enjoy better health, live longer and even look younger, let alone achieve greater success in their chosen fields. Attitude is everything and by surrounding yourself with positive people and being positive yourself, you increase your chances of succeeding enormously.

Module 2 Appendix – Peg in the Sand Journal

List some of your fears and doubts:

1. _____
2. _____
3. _____
4. _____
5. _____

List the reasons for these fears and doubts, are they rational?

1. _____
2. _____
3. _____
4. _____
5. _____

Notes:

Affirmations

Affirmations are positive statements that you can make to yourself to re-emphasise your state of being. The statements are made in the now, as in 'I am' or 'I can' to reaffirm your positive qualities or actions. They are also used in creative visualisation; by affirming that something 'is', you bring it into being, help it to manifest.

For instance instead of thinking that you 'can't' or you 'aren't', you think you 'can' and you 'are': I am organised, I am successful, I can do anything I put my mind to, I will succeed etc. Begin with the things that you actually are and then move on to the things that you want to be, by stating them in the 'now'. If you want to be better at time management, start by saying that you are good at time management rather than you are not.

There has been much discussion that instinctively this can also encourage negative responses as the logical mind will in a sense argue with these affirmations, but the way to counteract this is by adding action to the statement. In this instance you would perhaps say, "I am good at time management because I am putting more effort into becoming so". Instead of saying back to yourself, "oh, no you're not" your logical mind will now accept the affirmation because that is what you are in fact doing by recognising it as a point for improvement.

As you work on becoming better at time management you will reach a point where your logical mind will stop arguing with that statement and accept that, yes, you are good at time management.

Successful? Yes I am successful; I am successfully working towards my goals which will bring greater success. Beautiful? Yes I am beautiful because I have a lot of beautiful qualities that make me so.

Affirmations are a powerful tool and can be applied to all aspects of your life to help combat fears and self-sabotaging tendencies that thwart growth and success. By looking at your fears and self doubts, recognising them and then affirming their positive counterpart, you will set the path for more positive outcomes and actions and eventually erode any fears that you may have had.

Module 2 Appendix – Peg in the Sand Journal

Take your fears and doubts from the previous list and turn them into positive affirmations:

1. _____
2. _____
3. _____
4. _____
5. _____

Do you believe them?

If not, extend the affirmation into a statement that you do believe:

1. _____

2. _____

3. _____

4. _____

5. _____

Notes:

Module 2 Appendix – Peg in the Sand Journal

List some affirmations about yourself:

1. _____
2. _____
3. _____
4. _____
5. _____

Every day make a point of saying these affirmations out loud. Say them as if you believe them and believe them!!!

Emotion

Emotion is a powerful tool in the goal setting process. Get excited about what you are doing. Get excited about the progress you are making. Feel the goal as if you have already achieved it.

Emotions are the mindset of how you feel about things. Positive emotions are uplifting and inspiring whereas negative emotions are deflating and discouraging. Getting excited about the goal setting process stimulates feelings of happiness and general wellbeing which not only put you in a positive emotional state but enable you to think clearer and work more productively... towards your goals.

Feel the emotion of driving that brand new car. Feel the emotion of walking into your beautiful new home, the recognition of that promotion at work or the completion of that bestselling novel that you were writing. Feel it now. Don't wait for it to happen, trust that it is going to happen and feel it now. Visualise how you would feel if you had already achieved the goals that you have written down, and feel that way now. It may sound a little ridiculous, but by doing so you are affirming to yourself that you are successful, that you are succeeding at achieving your goals. Your mind then starts to believe that all of these things are possible. You are removing doubt, doing away with fear and having faith not only in yourself but in what you can achieve while getting day by day that little bit closer to achieving it.



The music industry is full of would-be hopefuls that follow childhood dreams of becoming successful musicians or artists. Many succeed, some as one-hit wonders, some study to secure prestigious positions in orchestras and operas while others succeed on an international level, becoming the source of inspiration for generations of other young hopefuls. While successes may vary they do share one fundamental quality and that is a profound passion for the music they perform.

Kate Ceberano is a shining example of a passion for music and has been successful on many different levels throughout her singing career. Raised by parents who believed in letting their children follow their dreams, Kate Ceberano aspired to be a star from a very early age. Being somewhat of a dreamer she spent her time mapping out her future career as a performer. Not particularly interested in school, she sang and performed in clubs from as young as 14 with the support of her family. By 16 years of age she had her own funk band, 'I'm Talking' which produced a number of top 10 singles, a platinum album and gave Kate a platform that saw her receive several music industry awards as a performer.

Kate's decision to go solo saw the accolades continue with awards and bestselling singles and paved the way for a foray into theatre, her own cabaret style television show as well as numerous other television appearances. Her success was almost parallel to Kylie Minogue's at one stage, having had the same record producers and the possibility of a similar success. However, Kate opted for a different direction to stay true to the music she was passionate about, which has become her own personal signature and a mainstay of her continuing success.

Throughout her success she has remained free spirited and individual, valuing her family above all else while continually embarking on new creative ventures that see her returning to the spotlight.





PLATINUM ACCELERATOR

Part 4

Your Support Network

Module 2 Appendix – Peg in the Sand Journal

Your friends and associates:

List successful and inspiring people within your circle of friends, or people that you admire.

Friends:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:

Inspiring people:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:

Module 2 Appendix – Peg in the Sand Journal

List their attributes:

Friends:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:

Inspiring people:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:

Module 2 Appendix – Peg in the Sand Journal

List the things that you could learn from them or what they could maybe offer to you:

Friends:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:

Inspiring people:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Notes:

Module 2 Appendix – Peg in the Sand Journal

Write down a major success that you have had in your life:

Why was it a major success – were you in the right place at the right time or did you work towards it?

List the elements that can you take from that success:

1.

2.

3.

4.

5.

Verbalising Your Goals

By verbalising your goals to others you will add momentum to the machine that drives you. However, a word of warning here! If the one you share your goals with is a negative person, then make sure you recognise this fact, and rise above the negative garbage that they may inflict upon you. Most of the time, these people are actually well meaning, and don't even realise what a stone anchor they may be. This is a very important time for you to remain focused on your goals and keep a positive attitude.

Protect your goals from 'goal stealers', and seek out 'dream catchers' who are likely to support your goals, and affirm your vision.

Surround yourself with positive people that will encourage and support you or provide you with inspiration. When you verbalise your goals, make it meaningful - don't make light of your goals or verbalise them in ways that disempower your resolve or to people who don't take you seriously.

Talk about your goals to people that matter and talk about them in the now, something that you are doing now, not some far-off pipedream that may never happen. Be enthusiastic and let people see your enthusiasm – you never know, one of these people may hold a key to your success that can make all the difference.

Visualise Success

Visualising your success is an important element of reaching your goals. It comes back to feeling the emotion, seeing it in the now. When you visualise your goal you need to visualise it in past tense, as if it has already happened. By that I mean that you actually visualise it as if you have already received or achieved your goal. You can feel it, smell it, touch it; you are taking pleasure in the success or reward of it. For instance, if it is a new car that you want, visualise yourself driving the car, smelling the upholstery, taking joy in washing the car. But take care that you are visualising yourself in the driver seat as the owner of the car – not the car detailer at the showroom!

Visualising is a powerful tool. Not only does it help you to achieve your goals faster, it is mentally empowering in a way that is enriching to your own personal wellbeing and thought process. Visualising encourages you to be specific, see exactly what it is that you want and define the detail. In the example of a car, you choose the brand, the colour, the year model, upholstery accessories and trims and as mentioned previously, you see yourself in the driver's seat.

With a book that you have written, you see the cover, the page numbers, the quality of the paper, people buying it, you signing copies, your name on the bestseller list, rave reviews, and international recognition for your writing. Do you see where I am going with this? It is not just about visualising the completion of the goal, it is about visualising the success of a goal. It is no good spending two years writing a book that is now complete, but has no publisher, or is sitting on a bookshelf with no one purchasing it – you must visualise the end product as a success!

The same goes for a house. You don't want to find that that dream house with the fabulous leather lounge and swimming pool that you were busy visualising has terrible neighbours that are making your life a misery and every time it rains the house is filled with buckets catching the leaks. You need to visualise not only your home, but how happy you are in it, how wonderful the neighbours are, how the house brings you joy because it doesn't require maintenance or repairs. Again, visualise the end product as a success.

Like Attracts Like

Learn to think positive thoughts; 'like attracts like' therefore by thinking in a positive way you will attract positive results. Attitude is everything, so by opening yourself to the possibility of success, success can happen.

Allow the Laws of Attraction to work for you; believe that you can achieve the goals that you are setting for yourself, ask to achieve the goals that you are setting and allow yourself to reap the rewards of a goal achieved, and accept that you will achieve them.

Once you begin on your journey you will notice that you will attract people with similar thought patterns to your own and you will become more aware of opportunities in your fields of interest. This is part of 'like attracting like'.

You can take this a step further by consciously and deliberately focusing on positive outcomes and opportunities and drawing them to you. The more you think in terms of these positive outcomes and opportunities, the more they present themselves. If you visualise them in the now and accept that you have already set the wheels in motion, they present themselves a lot more frequently and speedily.

Determination

Determination will be a major key to your success. Achieving your goals will require a lot of it as well as perseverance, commitment and patience. Those qualities will not always be easy to maintain when you make mistakes or encounter obstacles. I had my fair share of obstacles and when those obstacles cost or lose you some of your hard earned money, it can cause self-doubt and fear and make you reluctant to act when future opportunities come along. But if you remain determined, you will conquer the obstacles one by one or build your paths around them.

Funnily enough, when you look back at these obstacles later on, what seemed an enormous obstacle at the time often appears quite insignificant in retrospect. This is largely due to the change in your mindset; the more determined you become and the more successes you achieve, the more positive your attitude will become. Instead of seeing things as obstacles, you will see them as challenges; instead of seeing things as impossible you look for possibilities; it is all in the approach.

Reward Yourself

It is as important to reward yourself as an individual for your achievements as it is to share in events with others. Maybe an annual success banquet with your Power Group would be in order.

Remember that everything you do in the real world is merely an external manifestation of what has already happened in your mind. That's the origin of the well-known saying, "If your mind can conceive it, the body can achieve it".

When we are born, our minds have few limitations. We are not born with fear or doubt. These have to be learned. As children, we believed anything was possible. The concepts of 'limitation' and 'impossibility' are simply learned or programmed behaviour. (This is something we should all be aware of when bringing up our children.)

As we mature into adults we begin to place limitations on ourselves through feedback from others or as a product of our own insecurities. We are either told, or we tell ourselves that things can't be done or achieved or that we are not worthy of the results. So we need to change that mindset and remove these limitations so that we can move forward and then reward ourselves for the successes when we do so.



Every serious athlete dreams of winning gold. While some athletes are content with playing on a regional level, others will strive that little bit harder to attain the ultimate prize, an Olympic gold.

It takes great determination, rigorous training, dedication and personal sacrifice to achieve such a goal but the gold so often will symbolise so much more: self worth, commitment to themselves, strength of mind. If you can attain gold, you can do anything.

Natalie Cook began playing beach volleyball in high school. She took to the game quickly, captaining the Australian Indoor Junior team and eventually elected to give up her medical studies to pursue volleyball as a fulltime professional career.

Natalie represented Australia in 1996 at the Atlanta Olympics and walked away with a bronze medal, making her all the more determined to conquer the gold. Natalie partnered with a number of players and went on to win silver at the world championships and first in the World Tour Event in Japan. But it wasn't until the Sydney Olympics in 2000 that her dream of gold finally came true.

Since her success in Sydney she has had numerous other successes and in her book Go Girl she recounts the importance of the process of setting the goals and then believing that you can actually achieve them.

As part of Natalie's personal development through the help of a mentor, she would visualise her success and trained herself to focus on positive thought processes and methods.

This has become a personal success in its own right, a subject which she now converses happily about on the public speaking circuit, motivating others to achieve their dreams, believe in themselves and 'unleash their power'.





PLATINUM ACCELERATOR

Part 5

Ripples In The Pond

The Ripples

Anyone who has ever followed a dream or chased a goal with all of their heart has created a set of ripples in a pond. One rarely goes out to consciously create ripples. It is usually after the fact that you can look back and see the ripples and flow-on effect that they have had on the people around you from that pebble that you at one time cast. Everything that a person does has a flow-on effect, sometimes good, sometimes, not so good, depending on the situation.

Making the decision to change your life for the better sends out ripples in so many different and unimaginable directions and it is amazing be given the opportunity to see the effect that this can have on other people and their lives. But then it is one thing to be a ripple, and quite another to become the actual pebble.

The ripple is what you are when you begin your journey, someone or something has cast the pebble. It may have been something someone said, an experience, pleasant or otherwise as a result of someone else's actions; it may have been something you read or saw on television and the ripple effect of what it was made its way to you. It made you look at your life, look at what it is that you would like to achieve and set the wheels in motion on your own special journey. Once the journey is underway and you start implementing real change in your life and achieving some of the goals that you have set for yourself, something shifts. Somewhere along

the way you start to become the pebble and you start to cause some ripples of your own. It may be that someone you care about sees the change that you have made in your life and takes your lead and writes down their own set of goals to follow. Another may have benefited through your success, the car salesman from whom you bought your car off, the builder that you contracted to build your dream home, the publisher that made millions from your bestselling novel.

The ripples might be subtler; something in the novel you wrote really touched another and inspired them to change, learn, write, travel, whatever. Over the course of your journey you may assist many others in their own journey towards success. Whether it be inspiration or the result of an actual action, your own decision to bring about change will bring about change in so many others in so many ways that will never truly be known to you. Instances where it is made known to you, will leave you with the most amazing feeling of empowerment and wellbeing.

Useful Tools for Goal Setting

1. Be truthful – I cannot stress enough the importance of being absolutely and totally truthful about where you are starting from, what your real heartfelt thoughts are and what you really desire for you and your family's future. You must be completely honest or you will receive false outcomes with falsified information.
2. Answer the what, when, who, how and why questions. Be thorough. Spend adequate time and express your answers in great detail. Be sure that you specify a start date and a finish date for each goal set.
3. Ignore money - set dollar goals for: \$1,000, \$10,000, \$100,000, \$1,000,000, \$10,000,000.
4. Set time goals - what do I want that would take at least 10 years to produce (perhaps 20 years, 50 years, 100 years).
5. Breakdown your list of goals into defined categories: Career, Children, Community, Contribution, Education, Environment, Family, Finances, Friendship, Fun, Spiritual, Self-fulfilment, Health, Relationships, Physical, Business.
6. Fine tune your future
7. Add more detail – be really specific about the details of your goals.
8. Keep the planning process alive
 - make time to create your future
 - get others to help in the process
 - find a coach or a mentor
 - teach the process
 - lighten up - have fun
 - reward yourself for your achievements
 - keep focused
 - know the costs of the future you are creating – financially, physically and emotionally
 - work to the plan and plan to work!
 - revisit your plan regularly
 - monitor your progress in your diary on a regular basis
9. Repeat the first two steps
Be truthful and answer the what, when, who, how and why questions

Conclusion

The process of setting a goal and then setting out to achieve it is in fact a primeval trait of mankind. Since caveman times, humans have been faced with opportunities, problems or difficulties, which they have then set about solving. 'I'm cold, I need to warm up – how can I get warm – what is warm – aahh... fire! – how can I start fire when I need it – what makes fire – a spark – how can I make a spark – aahh... flint stone! – OH look I started a fire – I am now warm – problem solved.'

Well maybe that is a little oversimplified but the fact remains that humans by nature are problem solvers. When faced with an obstacle or problem we naturally both consciously and subconsciously set about solving it or overcoming it. This is a basic human instinct.

With this knowledge all you have to do is recognise what it is you need to solve or overcome and then both consciously and sub-consciously it will happen. Your job is to hold that Goal first and foremost in your sights and not let it fade and wither away.

When you know this - I mean really KNOW this – anything is possible, regardless of whether your goal is financial, personal or achievement based. Anything is possible.

As I said at the start of this journal, I want you to use it, not just regularly but all the time. I want you to own it, to love it and to write all over it.

I will let you into a little secret – I have a notebook fetish! Yes there you go I admit it! I have hundreds of notebooks – I love them – I buy them all the time – I love the feel of beautiful new paper and I love to get a really good pen and write on it for the first time. Well all that might seem a bit weird but that fetish is actually how this journal came about, because whenever I got a new notebook I would set about writing up challenges or goals, my reasons for those challenges or goal, my 'how', my 'why' and my timing of those challenges and goals. I would write quotes and stories to inspire myself and most importantly I would find that I would have much greater and quicker success when I did this. AND I appreciated my success much more because I recognised my success and the effort I put in to make it happen!

One of my favourite sayings is:-

"Just get out there and make it happen!"

Well I challenge you to do exactly that – just get out there and make it happen. Have fun setting goals. Have fun achieving them. Have fun succeeding. Bye for now.



PLATINUM ACCELERATOR

MODULE

3

**HOW TO WORK OUT WHAT
STRATEGY YOU NEED AND
IN WHAT LOCATION!**

Module 3 – How to workout what strategy you need and in what location!



PLATINUM ACCELERATOR

Strategy and Location

Common questions asked are, “What location should I be targeting and what should my strategy be?” While these are simple questions, the answers are not so straight forward, as it is different for each individual person. The reason for this is because the location you select and the strategies you target need to fit your personal characteristics. It needs to fit the money you have available, the time you can commit, the distance you are prepared to travel, your risk profile and the list goes on. The intention of this module is to teach you how to review your own personal characteristics, and then understand how these fit in with the different locations and different strategies on offer. By the end of this topic you should have a clear process for selecting your own locations and strategies based on your personal characteristics.

Your Personal Circumstances:

Your personal circumstances need to be the underlying driver of what location you target and what type of deal you focus on. These personal characteristics include - your goal – income or growth, timeframe, your available equity, your borrowing capacity and your serviceability and hence your purchasing price point, your time availability, and how far you are prepared to travel?

Other characteristics are your strategy (to sell or hold the property), your previous experience in property, and your risk profile, as these all have significant impacts on your chosen location and strategy. So let’s look at each of these individually.

What is your goal – Income or Growth?

Depending on whether your goal is for income generation or growth, clearly this will dictate the strategy you begin with and also the location you focus on. For example, a purely income driven strategy is more likely to be targeted in a regional area, possibly mining, although there are always exceptions and we will look at the strategies in more detail in a later section. Knowing your goal from the outset is essential as the process that you go through and the end product that you produce may be different if your intention is to hold and rent, versus sell. Changing your goal mid-way through the process should be avoided where possible, as it brings a level of uncertainty into the process and can result in time delays and have cost implications. If you are time poor you need to focus on strategies that are not time intensive.

What are you after? Are you really chasing Income or Growth deals?

[illegible]



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Your Characteristics

What is your timeframe?

The period of time that you have allocated yourself to achieve your goals will clearly impact on the strategy you choose and also the location. Being realistic with your timeframes though is also critical. You are definitely setting yourself up for difficulties if you expect to find, build and sell a multi-unit development in 6 months. Equally, giving yourself too much time to do a simple deal may mean you are being inefficient, or just wasting valuable time.

What is your timeframe for completing the next deal? Over the next year how many deals are on your agenda?

What is your available equity, borrowing capacity and serviceability?

Your available equity clearly impacts on the amount of funds you can contribute to the deal, including the deposit you can pay, the funds you have available to do the strategy, and your capacity to hold the deal. Your borrowing capacity and serviceability equally impact on how much you can leverage your equity. Clearly these three parameters

impact the property price point that that you can buy in at, and the strategy you select, as some strategies are more cash intensive than others. This also brings up the next question of whether you are able to organise joint venture arrangements where your personal income, serviceability and funds available for investment become less important and it is the financial position of your joint venture partner that is important.

This is where your strategist really earns his/her money. He/she will give you guidelines on what your capacity really is when it comes to equity and serviceability. In the spaces below capture what your parameters are from what the strategist has said in your wealth check.

How much can you borrow?

What strategy are you considering for your first deal?

How much money will you need for that strategy?

What is your maximum purchase price?

If you don't have clarity on any of these questions then refer back to your strategist to assist you.

What is your time availability?

The amount of time that you can contribute to your investing goals will significantly impact on the location you choose and the strategy. If you are time poor and have limited time to contribute to property, you need to be looking closer to home in areas that you can get to relatively quickly. Your strategy needs to be less hands on from your perspective, and you need to look at leveraging your time by employing others – that may be tradies to do the renovation for you, or consultants to get the approvals through, or it may be strata titling where it is more of a paper shuffle. Conversely, if you have more time available, you may consider deals a further distance away and strategies that require more of your personal input. It is important to be clear on this aspect, because once you are in a deal your input of time will always be more than

Module 3 – How to workout what strategy you need and in what location!

what you anticipated, certainly for your first few deals or at least until you have a well practiced system and team in place. So don't over-extend yourself and then find that you are not able to commit the time that the deals requires.

What areas of your life now are you willing to reallocate time from that can now be used to work on this business?

How much time can you realistically allocate to your success in this business?

Write down on a timesheet what time you can commit to working on your real estate business.

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday

Sunday

How far are you prepared to travel?

Many personal circumstances will affect your decision on how far you are prepared to travel. Do you have young children? Are you a sole parent with limited support around you? Do you have a demanding job that requires you to be in close proximity? Clearly, all of these situations will have an impact on how far afield you can go with your deal. Considering this and being realistic is essential.

So how far are you prepared to travel to do a deal?

How far do you believe you NEED to travel?

Is your strategy to sell or hold?

The answer to this question has important implications. This is because if the answer is to sell part or all of the end product, you want certain parameters to be present.

A reasonable population size in the area is essential for selling. Clearly if your town only has 2,000 residents, the demand for property and the turnover of property will be lower, and your timeframe to sell is likely to be slower. Similarly, where the market has a lower volume of sales, selling your product in that market will be harder.

The average days on the market wants to be lower not higher. For example, a more regional area where it takes an average of 200 days to sell, is less favourable than an area where the average days on the market is only 20 days. Equally if you are relying on renting the end product, you want an area with a lower vacancy rate, with good job prospects to attract people to the area, or alternatively lower priced rents that are affordable to lower income-earning residents. If your property is affordable to someone who lives on social security payment, your property is pretty much recession proof.

Is your first strategy a hold or sell deal?

What type of area suits this strategy at your price point?

What is your level of experience?

If you have never owned a property before, and you have never done a deal, your skillset and experience is going to be very different from someone who comes into property with several deals under their belt, or a background in construction, or as a real estate agent. While it is great to be optimistic and have vision, it is also important to be realistic and manage your risk. For example, starting with no experience and then beginning with a townhouse construction development in another State, may not be the best project to cut your teeth on. That's not to say you won't aim to build up to that level very quickly, but certainly to start off your first couple of deals, perhaps this should be taken into account, because the banks certainly will, particularly for large projects with a greater loan amount. There are enormous learnings to be had in your first deals, and so learning these with a smaller amount of money on the line is just good business. Remember little deals might only make little profits, however they tend to only make little losses too if things go wrong. Similarly, bigger deals might have the allure of bigger profits but they can also make bigger losses.

Let's just take a reality check here. Is the strategy you have selected inline with your level of competency? Whilst the idea is not to crush your enthusiasm, you do need to be realistic. Some strategies are OK to try even if you have no experience at all e.g. a small subdivision splitter, as it is not your skill level that the strategy depends on, it is the skill level of the professionals that you employ. Provided you can follow a checklist you can normally stumble your way through it. Granted the first one you do will probably take you longer than the tenth one you do, but it's an easy starter.

Does your selected strategy align with your skill level?

What is your risk profile?

Everyone coming into property comes with their own risk profile, which is influenced by your age, your job security, your net worth, your available net equity, your experience, and your history. Being aware of this and where you sit on the risk spectrum needs to be taken into account when selecting your location and strategy. Clearly, the younger you are and the more time you have to accumulate wealth, the higher your risk profile may be. Conversely, someone closer to retirement that is starting from a lower equity base, will be much more risk averse, and their selected strategy and location needs to reflect that.

Module 3 – How to workout what strategy you need and in what location!

Would you consider you have a low, medium or high-risk tolerance?

Does your strategy fall into this risk tolerance?

See the attached Appendix in this Module and check your chosen strategy against both the Risk Tolerance Strategy Indicator and Available Equity Strategy Indicator.

How did you fair? Does your strategy fit the indicator checklists?

Notes

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PLATINUM ACCELERATOR

Location

When considering location you first need to consider the difference between areas. The three key areas I am referring to are:

- ✓ Mining and resource areas,
- ✓ Regional areas, and
- ✓ Metro areas.

The characteristics of these areas will either fit or not fit your personal characteristics, so let's review each individually. Then we will review the different characteristics that define a location and that need to be considered in your decision making process.

Mining & Resources Areas

Mining and resource areas are generally volatile, owing to the very nature of the industry that is driving them. Commodity prices fluctuate, infrastructure spending varies over time, and so too does the workforce. Consequently there can be great variability over time, on the demand for properties, rental rates, property values, the eagerness or otherwise of the banks to lend in these areas, the demand from investors to buy, and the amount of development occurring. Changes in these conditions can also occur quite quickly, hence they can have a significant impact on the success of the strategy you propose to employ. Essential to your decision making process, therefore,

needs to be an understanding of these conditions and the industries operating in the area.

This level of volatility clearly increases the risk profile of doing deals in mining and resource areas and this needs to be at the forefront of your decision-making process. Yes, mining and resource areas come with potentially higher income earning capacity, but also have the potential to change quickly. Therefore, limiting your exposure in these areas is good business.

Regional Areas

Regional areas in contrast to mining and resource areas tend to be more consistent. They tend to be founded in well established long standing industries like agriculture and manufacturing. Property values tend to remain more stable, but at a lower price point. Rental rates tend to be moderate but with lower buy in prices. This results in typically higher yields. Capital growth is generally slow and investor demand moderate. Certainly population growth and jobs in the region have a big impact on these parameters, and a decline in population and jobs will adversely affect the property market on all fronts.

Regional areas can often be great place to start if you don't have a lot of money or haven't ventured into the property market before as regional areas tend to be fairly forgiving when it comes to making mistakes. The entry point is lower and the rents are higher proportionately so even with a few stuff ups along the way you can normally still rent the property and it is neutral to positive cash flow. However, they won't necessarily rock your world either, but are a great place to learn and practice.

Metro Areas

Metro areas are characterised by significantly larger populations, greater job diversity and economic diversity, plus property price movement tends to be more cyclical and driven by broader economic parameters. Property prices are generally higher, as is the potential for capital growth, but rental yields are lower. Banks are more comfortable with security in metro areas, hence the lending tends to be easier. There are more owner-occupiers and investor buyers, therefore selling in metro areas can be easier. However, you normally need more equity to be able to enter a metro market than you would to enter a regional market.

Think about your own risk tolerance, entry price point, personality and preferences and write down below what your preferred target market is.

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Population Size

The larger the population of an area the greater the volume of buyers, sellers, and renters, the more jobs that are available, and typically the more stable the economy. This provides a level of flexibility in exit strategies, whether that is selling or revaluing and renting. Banks are also more comfortable lending on property where the population size is larger, hence a deal will be potentially easier to finance and at a higher LVR (Loan to Value Ratio), in areas with higher population size. As a general guide, banks like a population of 10,000 or more for regional areas. This doesn't mean that they won't lend for purchases in smaller populations, it just means you will probably need a bit more deposit (20%) and have a reasonably strong income. However, because the cost price is lower, having at least a 20% deposit is easier.

What size population areas are you targeting?

Why?

Infrastructure Spending

Jobs typically come with infrastructure spending, as do improved services and the potential for property price growth and rental growth in the area. You do not always get all of these factors at the same time, but certainly the flow of money into an area is usually a beneficial indicator from a property perspective. Whether the infrastructure is a new road that gives better access to the town centre, or a new hospital, clearly this has the potential for positive impacts.

Understanding the duration of the infrastructure project, the spending and job profile, and at what stage the project is, are essential factors that need to be taken into account. For some projects you want to be there at the very beginning, but out by the end, e.g. to capitalise on the spike in jobs and hence need for accommodation, and for other projects you want to be there indefinitely.

As an exercise, write a list of desirable infrastructure projects that would create jobs growth in a target area and note whether the projects would have a short, medium or long term effect on jobs.

Now on consideration, what infrastructure project will you research for your next purchase?

How would you find out about where such projects are being undertaken in your target State?

If you are having trouble with this question – ask your coach for guidance.

Supply and Demand

Whether your goal is to hold and rent the property, or to sell, the underlying supply and demand profile of the market is an essential characteristic that needs to be taken into account. If your strategy relies on selling, you want to focus on a location where demand is high and supply is low, so that your property sells quickly.

These characteristics are not static though, and so understanding the trends and what is driving them is critical. For example, if there has been a spike in recent council approvals, this would suggest a potential increase in developments coming out of the ground in the area, and hence an increase in the supply of property that you may be competing against. Conversely, if demand is low and there are few buyers in the market for your product, it is likely to take longer to sell or rent.

How many development applications have been lodged in your target area in the last 12 months?

Are you having trouble finding the answer to the previous question? Why not ring the council of interest and ask where this information can be gained and where it can be found on their website. In some more archaic councils, it may not yet be available. You should also go back to the 'Ultimate' notes and review the Tech Tools section and websites such as planningalerts.org.au and home.id.com.au and apps such as 'layer', which are really useful. The Tech Tools section of the Ultimate Bootcamp covers all this.

Rental Vacancy Rate

The underlying rental vacancy rate in a location impacts not only on your likelihood of obtaining a tenant, but also impacts on market value trends. This is because as the rental vacancy rate reduces and there are less available properties to rent, the rental rates tend to increase, and at some point reach a level where it is as economical for someone to pay a mortgage as it is to pay rent. At this point, people move out of the rental market and into the home ownership market, which in turn increases the demand for property, and can increase price growth. The other aspect is that as the rental rates increase, and hence rental yields rise, investors are attracted back to the market, further putting pressure on price growth.

What is the vacancy rate in your target area?

Council's Attitude to Development

Council's attitude to development in a location can significantly impact on multiple levels. Clearly if your strategy requires council approval, then being in a location where the council is pro development and supportive of the process can make all the difference. The timeframe for approval can be quicker, the potential costs can be less. Clarity in the process and hence ease of approval can significantly reduce stress and uncertainty, all of which are important factors. Alternatively, if you are not actively developing yourself, the council attitude will still impact on you by dictating the ease

with which others may develop around you, and hence the potential competition you may face.

A good test of this is to monitor how many development applications have been lodged with your target council in the last 12 months and how many were actually approved and how long it took to get those approvals. Simply back tracking a similar council application to what you are looking to do and typing in the address of that development with a .pdf at the end will bring up all the correspondence on the property and you will quickly see any objections, requests for more information, restrictions and general BS that can delay or otherwise a project. This usually gives you a pretty fair gauge on the attitude of the council

After doing the above analysis and speaking to local town planners, what is the general attitude of your target council?

Specific Locations

Now that we have reviewed the various regions and factors at play in a location, we now need to align our personal circumstances with the selection of specific locations. Here we need to combine our risk profile with our capacity (or not) to travel, with our desired population size, available equity and hence price point. Starting from where you live, draw concentric circles outwards, until your desired factors align. If you are only capable of travelling a one-hour distance, then mark that on a map and work outwards to that point. Look at all the locations within that distance and confirm if they meet your criteria. The idea here is to shortlist, say five potential locations, and then, following further more detailed research, reduce that down to three key locations. These may be three separate towns, or three different suburbs within the one town. This final selection process needs to account for infrastructure activity in the area, supply and demand and the other influencing characteristics we discussed above. We will go into much more depth on finding a deal in a later Module, but for now we just want to hone in on three potential target locations. Obviously, if you can fulfil your price point, risk profile and population size requirement in a suburb closer to where you live, you would start with that location. If, however, you need to look beyond, then that is the process you take.

Now we are ready to review the various property strategies that we could undertake, depending on your personal circumstances.

Notes

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PLATINUM ACCELERATOR

Strategies

By now you already understand that there are income strategies and manufactured growth strategies, so we will deal with each individually. The purpose of this section is to review the strategies from the perspective of choosing the right ones that fit your location criteria and your personal circumstances. In a later module we will deal with the step-by-step processes that are involved in carrying out each strategy.

Also, before we begin, remember that there is more information on each strategy in your Ultimate Home Study Course, plus in the recorded webinars on the Ultimate website.

Income Strategies

Income strategies are many and varied, but can be separated into two categories - direct cash cows and indirect cash cows and these can be residential or commercial.

Cash Cows

Cash cow strategies are those where your income exceeds the expenses of the property, including interest on 100% of the purchase price, plus any costs associated with the purchase. Depending on what you are purchasing, the property can either be a direct cash cow or an indirect cash cow. Basically the difference is that a direct cash cow is positive from the day you buy it, whereas an indirect cash cow is a property that you have to do something to in order to turn it into positive cash flow.

Let's have a look at some of the more common residential cash cow strategies and then commercial strategies.

Executive Leasing

This is the strategy where you rent the property to executive level people or companies, and they pay a premium for the fact that it is fully furnished and can be rented on a shorter-term basis. This strategy is typically suited to more metro, higher population areas, and the location of the property is critical. Assuming a property manager is utilised, it can be a good strategy if you have limited time available, and it can be done across a range of budgets from small inner city apartments to luxury waterfront homes. It also doesn't need to be in close proximity to where you live. The risk profile is also relatively low, as long as you always have the option to rent it at standard market rent and at least cover the holding costs.

Short-stay Accommodation (e.g. Airbnb)

This is where you rent a property typically to a traveller on a short term basis, and the room on offer, or the entire house, is completely fitted out for them to move straight into – a bit like a motel but instead it is in a private residence. Clearly, there needs to be a reason why people would want to come and stay in the property, and so the location is very important. It should be in a desirable destination such as inner city, beachside etc. This is definitely a more hands-on strategy, as you typically manage it yourself and welcome the guests and arrange the cleaning on their departure. Hence it's probably going to be close to where you live or in fact be your PPR. From a risk perspective it is relatively low.

Boarding House and Student Accommodation

These rent-by-room style accommodation types can be done in almost all locations, recognising that there is a need for affordable accommodation in most areas. Obviously, if it's student accommodation that you are offering, this needs to be in close proximity to an education facility, University, TAFE, College, etc. Being close to public transport, shops and facilities also tends to be important. From a time input and management perspective, these are definitely not set and forget strategies. They require ongoing input and are more aligned to running a business. Hence, they are also more likely to be located within a relatively easy commute – say an hour or so from where you live, particularly if you're the hands on manager. Price points clearly differ depending on the size, location and quality of the accommodation. With this type of property often being purpose built, or purpose configured, the risk profile is reduced if you can easily convert it back to a standard dwelling.

Granny Flat / Dual Occupancy

This is where you can convert existing dwellings or parts of dwellings into granny flats or dual occupancy, or alternatively, construct them from scratch with the intention of creating multiple income stream properties. These can be done in any location, at any

price point, are relatively low risk, and can be done with lower equity depending on the cost of the deal.

Furnishing a Property

Turning an unfurnished property into a fully furnished one and therefore renting it at a much higher rate, clearly has the potential to increase its income earning capacity, plus there is the added benefit of the tax deductibility of the furniture. While there may be a bit of work to source and install the furniture, this strategy has a low ongoing time and management input, and of course for a fee, you could have someone do all the work for you. Location-wise, this strategy can work in any location where there is a demand for fully furnished accommodation; hence it doesn't have to be in close proximity to where you live. Also the price point is more varied and can be done on a studio unit, or a 5 bedroom house. There are no limitations. From a risk perspective, it is very low, as you can always remove the furniture and rent unfurnished if required.

Installing Signage

This strategy can be done on both residential and commercial property, and by renting out the signage it becomes an extra income stream. Obviously this is a strategy that can be done at a distance, can be relatively low cost, has a low time input and is relatively low risk. You just need to have a demand for signage and a capacity to have it council approved depending on the regulations in your area.

Storage Sheds

This is a commercial multiple income stream cash cow strategy. The mere fact that it is a commercial property means that the lending requirements are different from residential, and the amount of cash required up front is higher e.g. 40%. Storage sheds are not location specific and they can be successful in most areas, although significant research is required in your due diligence. Obviously, the smaller the town and the lower the population, the less demand for storage, and the more land available, potentially the less need for storage.

You have the option to self manage or have it professionally managed, and so your time input and proximity requirements can vary. Even if you have the sheds under management though, this is definitely a business, and the buck stops with you if there are issues, so you still have to manage your manager. This is not a set-and-forget strategy! The risk profile of storage sheds is higher, because there are less usages for the site in its current form, other than storage, plus there is the potential for a competitor to move into the area which could adversely effect your business. Storage sheds typically follow the residential cycle, and the more affluent the residential area,

the higher their capacity to pay for storage, and the more successful the business is likely to be – assuming it is well managed.

Strip Shops

Strip shops is a term given to shops that are typically in a row along a street, and may be free standing or under the same building roofline. Individual or multiple shops may be owned by the same owner, and there is often the potential to split a lettable area into additional tenancies, hence creating multiple income streams. This is in contrast to shopping centres and shopping complexes that tend to be owned by the one owner and the shops are individually leased. Clearly the purchase and conversion of strip shops is a commercial venture, hence, the lending requirements reflect this, and a larger amount of equity is required.

They can be purchased at varying price points depending on the location, size, quality of the building, and the characteristics of the existing tenancies in place. Being commercial, there is a higher risk profile for various reasons. For example, if your tenant moves out you need to source another commercial tenant. Factors affecting the economy of the town also become influential, and detailed due diligence is required. You need to ensure that your location remains relevant in the area over the long term (or at least over the period you intend to own it). If the town centre relocates owing to the opening of a shiny new shopping complex, and the strip shop area becomes less visited, and a less desirable location to operate a business, then obviously this will impact on your capacity to attract a quality tenant.

Hostel / Backpacker / Motel / Caravan Park

The common traits among hostels, backpackers, motels and caravan parks is that they are rented to multiple people, therefore are multiple income stream properties. The duration of stay may differ between them, and the characteristics of the tenants may vary, but they are all commercial in nature, have a business component, and hence are not purely a property play. Operating a business definitely has a higher management and time input requirement, even if you are managing the manager, because once again, the buck stops with you, and if the manager is not performing, you need to be prepared to step in. Proximity to where you live therefore becomes relevant, as does your capacity to finance a commercial venture.

Debt Reduction Using Manufactured Growth Strategies

A cash cow property can also be created by reducing the level of debt on the property by paying down the loan amount and thereby reducing the interest payable. Given that interest is typically the largest holding cost on a property, it stands to reason that if you can significantly reduce your interest bill by lowering your debt, you in turn

increase the cash flow. In addition to using cash savings to pay down debt, the other major strategy is to reinvest the profit created from a manufactured growth/chunk deal strategy. These may be separate deals, one being a manufactured growth deal that you sell, and the other being a hold property that you pay down the debt on. Alternatively, these two strategies may be employed in the one deal, and for example, you may sell a portion of the deal e.g. two units, and then use the profits to pay down the debt on the remaining unit/s you intend to hold.

Manufactured Growth Strategies

Manufactured growth strategies are those where you actively do something to the property to increase its value. This might include a renovation, subdivision, adding additional dwellings, or strata titling. It may include just getting the approvals, or it might include going ahead with the complete strategy and building the additional units or subdividing the land. The increased value may be in the form of increased equity if you continue to hold the property, or it may be profit created from selling the property, or a combination of the two.

Let's have a look at some of the more common manufactured growth strategies from the perspective of location and your personal characteristics. Remember that these strategies are equally applicable on residential, commercial, and industrial property.

Notes

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Growth Strategies

Renovation

Renovating a property has the potential to not only increase its market value but also its rental rate, income, and therefore cash flow. It tends to be a more hands on strategy, even if you are managing the tradies and not on the tools yourself, therefore your time availability is important, as is the distance you are prepared to travel. Clearly if you have never done a renovation before, its probably preferable that your first project is in relatively close proximity to where you live. That's not to say that it can't be done from a distance. It is just that this requires more coordination. From a location perspective, renovations can be done in any area. However, quality research needs to be done to ensure that you are getting leverage on your time, money and effort – and this is certainly not the case with every property that needs renovation. Finally, risk is relatively low as long as you do not overcapitalise on the renovation process.

Subdivision

The process of subdividing land into smaller lots requires an approval component to obtain council approval and final titling and it includes an actual onsite works component which may involve creating a driveway, installing services, fencing, and/or ground works. This strategy is one that can be done from a distance if necessary, as the approval process is all done on paper. Similarly it can be done with a lower time input, and can be done in most locations, although you need to be aware that in more regional areas where land sizes are larger, the subdivided land size needs to be sympathetic to this and smaller lots that may suit urban areas may not suit regional

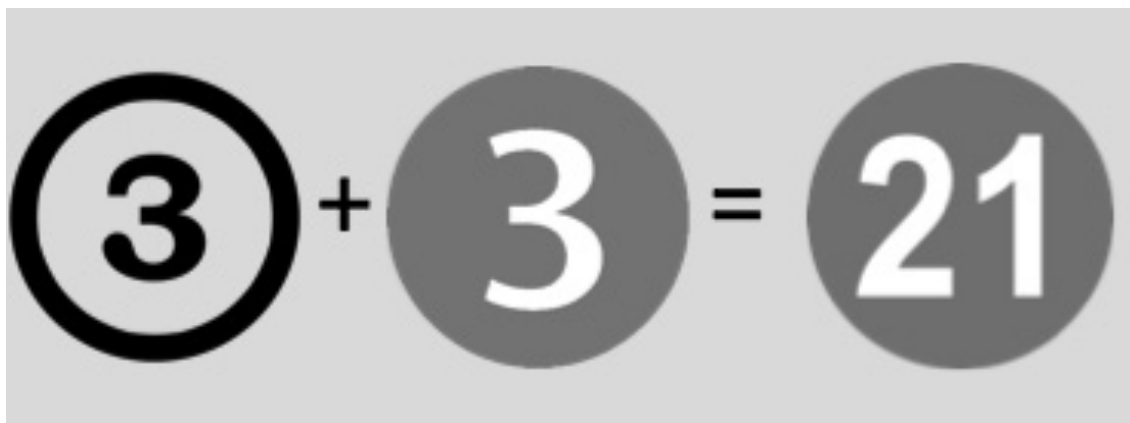
areas. The risk profile is relatively low, assuming it's not a 30 lot subdivision, and the risk is further reduced if you are able to maintain the existing dwelling on the site, because of its intrinsic value.

Development Approval (DA), Building Approval (BA) & Construction

Getting a Development Approval, Building Approval, and undertaking construction again, requires a component of approvals through council, building certifier and titles department, and also a construction component, whether it's a dwelling, commercial building or the like. The time to complete the deal is longer than other strategies and could be anywhere from four months for a house to twelve months plus, for a multi unit development. The money requirement is also higher, as you need equity to purchase the property, plus equity to do the construction, and obviously the higher the construction cost the more equity is required. Distance is less critical. However, during the construction phase you will need to at least visit the site on several occasions. The risk profile of this strategy is significantly increased with the more dwellings you are constructing, the higher the project cost, and the more reliant you are on having to sell the end product.

Strata Titling

Strata titling of an existing dwelling involves confirming council approval of the structure, ensuring building code requirements are met such as fire separation, and then finally, creating the separate titles. Given that the building already exists, the strategy of strata titling can be a relatively quick process, tends to require less money depending on the remedial works required, and can be done in any location. It is also a strategy that can be done at a distance, although the site works require a level of supervision.



3 + 3 = 21 Rule

We have now reviewed the various income and manufactured growth strategies, and have considered the different location options based on how they fit in with your personal characteristics regarding time, money, risk profile, experience etc. Let's now look at how the process of simply selecting 3 strategies and 3 different locations actually equates to 21 different combinations of opportunities. This is called the 3 + 3 = 21 Rule. Let's look at an example so that you understand the math!

Let's assume your 3 chosen strategies are A) renovation, B) strata titling and C) adding an additional dwelling, and let's assume the 3 chosen locations may be 3 different suburbs or 3 different towns e.g. town 1, 2, and 3. Detailed in the table below are the 21 different combinations of strategies and locations.

Strategies A, B, C over Locations 1, 2, 3

A1	B1	C1	A+B1	A+C1	B+C1	A+B+C1
A2	B2	C2	A+B2	A+C2	B+C2	A+B+C2
A3	B3	C3	A+B3	A+C3	B+C3	A+B+C3

Now you can see that by doing the individual strategy at each location and then combining strategies, e.g. renovation + strata titling in location 1, you in fact have 21 different combinations to work with. The idea here is to become an expert in your 3 chosen locations and in your 3 chosen strategies. By focussing your efforts of research and due diligence on these six aspects, hopefully, now you can see that you don't need to be an expert at every strategy. What you want to avoid is jumping between many different locations and considering all types of strategies, because this just results in a lack of clarity, a lack of focus, and potentially spinning your wheels and not getting the traction you require.

Take on board this process, list out your personal characteristics and really think about them from a realistic perspective – How far are you really prepared to travel? How much can you afford? What are your personal talents?

Module 3 – How to workout what strategy you need and in what location!

Now, review the strategies and how they fit in with your profile, and shortlist three.

Review your locations of interest accounting for your personal characteristics and the factors affecting that location, in order to short list three.

Combining those three strategies in the three locations will set you on a clear path of focussed research and deal creation.

Notes

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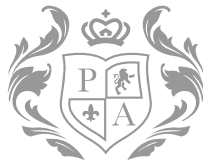
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MODULE

3

MODULE 3 APPENDIX

- RISK TOLERANCE STRATEGY INDICATOR
- AVAILABLE EQUITY STRATEGY INDICATOR



PLATINUM ACCELERATOR

Appendix 1

Risk Tolerance Strategy Indicator

Different strategies have different levels of risk; consequently, it is best to understand your own risk tolerance so that you can match your tolerance to the appropriate strategy. Listed below are some of the more common strategies, which have been put into a Risk Indicator Schedule.

Where the strategy requires selling the property or part of the property, it becomes a higher risk strategy in comparison to just holding and renting. A way to mitigate this higher risk is for the property to be located in a market with a medium to high volume of sales. This is a market where there is a higher population, and therefore at any point in time, there are more people in the market looking to buy property, and therefore the volume of sales being transacted is higher.

Low Risk Strategies

Low risk strategies are characterised by a low to medium price point at purchase, high volume market if selling is involved, relatively lower skill level required, and a lower time input required. Below are examples of low risk strategies:

- ✓ Low price point 'cheap' - for positive cash flow to hold and revalue.
- ✓ Low to medium price point - renovation to hold for positive cash flow and revalue.

- ✓ Low to medium price point - renovation to flip, in a high volume market, using 'grid variance analysis' to identify target suburbs with good price variance.
- ✓ Low to medium price point - in a high volume market, one lot into two lot subdivision or title lift, renovate the existing dwelling, and sell one or both. Option to build a single dwelling or dual occupancy dwelling on the vacant lot – although it makes it a longer timeframe strategy once you involve construction.
- ✓ Low to medium price point - two lots on the one title, retain the existing dwelling and renovate, separate the titles, and sell one or both. A boundary reconfiguration may also be involved. Option to build a single dwelling or dual occupancy dwelling on the vacant lot – although it makes it a longer timeframe strategy.
- ✓ Low to medium price point - strata titling an existing small unit complex of 2 to 4 units, in an area where there is a demand for unit living, hold and revalue, or sell some units if it is in a medium to high volume market.

Medium Risk

Medium risk strategies are characterised by a higher price point at purchase, medium volume market, higher skill level, and typically require a higher time input. See examples below:

- ✓ All of the low risk strategies detailed above, but purchased at a medium price point.
- ✓ All rent by the room strategies e.g. boarding house style, Airbnb, student accommodation etc.
- ✓ Executive rental at a medium price point.
- ✓ House relocation – single and double shift (this applies to whether the house can be moved in one piece or whether it has to be cut into pieces prior to the relocation).
- ✓ Projects involving duplex and triplex construction.
- ✓ Subdivision into 3 or 4 lots e.g. residential funding.
- ✓ Multi unit development and construction (3 to 4 units) e.g. residential funding.

- ✓ Strata titling of an existing medium size unit complex e.g. 4 – 8 units (commercial financing), or strata titling an existing complex, and constructing additional units, or subdividing off a portion of land.
- ✓ Existing commercial property with long term lease in place and with the potential to add further value e.g. add an extra shed or office, or hard stand area.
- ✓ Vendor finance and lease option strategies.
- ✓ Joint venture on low to medium risk strategy deals.
- ✓ International property purchase, for cash flow hold e.g. USA.

High Risk

High risk strategies may comprise one or a combination of the following characteristics, a high price point at purchase, strategies undertaken in a higher risk market like low volume markets or mining/resource areas, require a high skill level and experience, and/or require a higher time input. See examples below:

- ✓ All of the low and medium risk strategies detailed above, but purchased at a higher price point or in higher risk areas.
- ✓ Option deals
- ✓ Business real estate e.g. caravan park, storage shed, motel, backpacker.
- ✓ Vacant commercial property, or commercial that involves development approval and/or construction.
- ✓ Lease and sublease strategies, for example, where you lease a property and then sublease it room by room.
- ✓ Larger multi unit developments e.g. 4 units and above that require commercial financing
- ✓ Larger land subdivisions e.g. 4 lots and above that require commercial financing.
- ✓ Development approval and sell with approvals in place.
- ✓ Joint ventures on higher risk strategy deals.
- ✓ Syndicate deals where multiple parties are pooling their cash reserves and serviceability to do higher risk strategies.

- ✓ Deals done with private money lending.
- ✓ Purchase of management rights.

Definitions

Dual Occupancy Build

Single construction build where 'grid variance analysis' indicates a good margin for sale or refinance. This works best in a reasonably built up area.

Market Volume

Dictated by population size and is particularly relevant when selling is part of your strategy. This is because to sell a property, you want a voluminous market, because the higher the population, the more people that will be in the market to buy. Financing is also influenced by the market volume, and the larger the population the more lenders that are willing to lend.

- ✓ High Volume = Metro market e.g. Sydney, Melbourne, Brisbane, Perth etc.
- ✓ Medium Volume = Large country town (20,000 – 100,000 population) e.g. Toowoomba, Rockhampton, Tamworth
- ✓ Low Volume = Smaller country town (<20,000 population).

Relative to Population Size

The higher the population the lower the risk.

- ✓ High Risk = <5,000 population
- ✓ Medium Risk = 10,000 – 20,000 population
- ✓ Low Risk = Metro

Price Point

The price of the property.

- ✓ Low Price Point - < \$300,000
- ✓ Medium Price Point - \$300,000 - \$500,000
- ✓ High Price Point > \$500,000

Joint Venture Deals

Deals undertaken between two or more parties where each party contributes to the deal, either as cash funds, bank serviceability, time input and/or skill input. Joint

ventures should only be entered into where at least one of the parties has property experience, because now there are multiple parties exposed to the risk of the deal.



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Appendix 2

Available Equity Strategy Indicator

Once you know the available cash or equity you have, you then need to select the right strategy that fits that equity / cash position. Below, the strategies have been separated according to available equity to guide you in this process.

Remember that the ultimate selection of your strategy is a function of both your risk tolerance and of your available equity sensitivity, so both need to be considered in tandem. Generally your risk tolerance is the overriding factor when you first begin. For example, if you have a low risk profile and \$500k available equity and have never done a deal before, clearly you would not start with a vacant high-end commercial property deal, or an 8 unit development, even though you may have the cash to do it. Similarly, if you have a high-risk tolerance and \$200k available equity, doing a low end cheapy reno and flip in a voluminous market might be a great starting point for your first deal to get some experience under your belt. However, you could certainly consider leveraging into the construction of a house or dual occupancy dwelling for your next deal.

Another important consideration is understanding the strategy and where money is required to be spent. Let's take the example of where you have \$100k and your strategy is to buy a renovator with 2 lots on the one title, splitting the titles and selling both. In this example your \$100k needs to cover a deposit to purchase the property, pay for purchase costs, renovation costs, hold costs, consultants costs, any site works required for the titling, and selling costs. So you can see how your \$100k can be quickly absorbed and how it greatly dictates

what the purchase price of the property needs to be and also the extent of renovation works that you can afford.

The opportunity to stage a project also needs to be considered. So let's continue with the example of having \$100k available, doing a renovation, subdivision and sell strategy. In this instance your cash may not stretch to doing both the renovation and subdivision upfront at the same time. Instead you may need to use your cash to purchase the property and do the one lot into two subdivision, and then based on the uplift in value that you have created, you then go and have the property revalued. You re-borrow against the higher value, which will then provide you a cash injection to go and undertake the renovation, and then at that point you sell one or both properties. Obviously staging can be very beneficial on larger deals too.

It is also important to remember that if you are starting out with less than \$200k, then continually replenishing your pot of cash will be essential. Even if your goal is to do cash flow strategies, you will also need to do manufactured growth deals along the way to yield chunks of money that you can then use to buy the cash flow deals.

Finally, the last point to be made is that your available equity is only one piece of the puzzle and your serviceability will significantly impact on your strategy selection. Keep this in mind when reviewing the list, below which is purely based from an equity position.

No Money

- ✓ Implement a savings plan
- ✓ Vendor Finance deal
- ✓ Seller JV (Joint Venture) deal
- ✓ Builder terms
- ✓ Lease and sublease strategies e.g. lease a property and sublease it at a higher rate
- ✓ Option deal and flip
- ✓ Joint Venture deal
- ✓ Income split from leasing out a vacant commercial property
- ✓ Services exchange e.g. Bartercard

No Available Equity; \$0-\$100,000

- ✓ Low price point purchase 'cheapy', renovation to flip or hold and revalue. Can include rent by room strategies on existing dwellings.
- ✓ Renovation and one lot into two subdivision in regional areas with low council subdivision costs e.g. Victoria.
- ✓ Low price point purchase 'cheapy', one into two lot subdivision where you demolish the house and end up with two vacant lots to sell one or both.
- ✓ Low price point purchase 'cheapy', existing duplex or multi unit complex for strata titling.
- ✓ Low price point purchase of land and relocating a house onto the land based on a single shift process e.g. where the house does not need to be cut in half to transport it.
- ✓ Staging the strategy and revaluing during the process may be necessary.

Available Equity; \$100,000 - \$200,000

- ✓ All of the strategies above, but in a better area e.g. larger population, closer to infrastructure, higher price point.
- ✓ Staging the strategy and revaluing during the process is still important.
- ✓ Purchase and construction of a granny flat, single dwelling, or dual occupancy dwelling.
- ✓ Strata titling deal up to three units (above three units you are likely to move into commercial finance which requires a higher cash input e.g. 40% based on a 60% LVR).
- ✓ Subdivision to turn one lot into 3 or 4 lots maximum.
- ✓ House relocation based on a double shift move, where the house has to be cut in half to relocate it.
- ✓ Small regional commercial deal.

Available Equity; \$200,000 - \$300,000

- ✓ All of the strategies above, but in a better area e.g. larger population, closer to infrastructure, higher price point.
- ✓ Multi unit construction up to 4 units depending on the price point of the initial site purchase and the quality and size of the units being developed e.g. in a metro location and producing higher quality and larger townhouses it might equate to two to three townhouses.
- ✓ Existing commercial property with development potential.
- ✓ Strata titling a residential or commercial property of up to 10 units.
- ✓ Larger subdivision up to 10 lots, depending on the location, council and ground works costs.
- ✓ Commercial and business real estate < \$1 million e.g. backpackers, motel, storage sheds, motel etc.

Available Equity; \$500,000 plus

- ✓ All of the strategies above, but in a better location, higher price point, and bigger multiples e.g. more units, more lots, larger commercial e.g. shopping centres, relocatable home parks, aged care facilities.

Risk Profile Characteristics

- ✓ Age
- ✓ Family e.g. dependent children
- ✓ Capacity to manage uncertainty
- ✓ Occupation – current and previous
- ✓ Income level – current and previous
- ✓ Time availability
- ✓ Previous experience
- ✓ Business experience

Module 3 Appendix

- ✓ Attitude to opportunities and obstacles (proactive problem solver or reactionary)
- ✓ Body language and interpersonal communication.

A person with a low risk profile may get easily stressed, require strategies where they are in control, where there are systems and processes in place. Certainty is important (e.g. certainty in the market and process).



PLATINUM ACCELERATOR

MODULE

4

FINDING DEALS, RESEARCH & TOOLS

Module 4 – Finding Deals, Research & Tools



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Finding Deals

Once you have selected your general location of interest and target strategy (Module 3), the next step is to go and find a deal. For many people, this can be a frustrating process and they often comment, “I just can’t find a deal.” When asked what their process is to find a deal, it quickly becomes evident that they are more often than not using a very ad-hoc, unstructured method for deal finding. So let’s start right there, because there is indeed a method for finding deals and if you follow the method, deal finding will come much more easily to you.

Ad-hoc Approach to Finding Deals

As alluded to previously, there are two ways of finding deals - an ad-hoc approach verses a systematic approach. Clearly, as the name suggests, an ad-hoc approach is less structured, it is more hap-hazard - more like taking a stab in the dark, and therefore it is less repeatable, and typically very reactive, which will be examined in more detail next. An ad-hoc approach is typically based on locating a property first and then trying to make it fit your strategy. It is generally characterised by hours of trawling through real estate websites to find “the one”.

Yes, this is exciting and entertaining and you feel you are making things happen – the question though is whether this is the most effective use of your time, because when you do find a property that looks to have potential, you then have to be very reactive and you have to research the area to find out if it does in fact have development potential, or if it is near key infrastructure, or if it is in the preferred area of town.



An ad-hoc strategy is also less repeatable and what is meant by that, is it is hard to replicate your results time and time again. It would be hard to explain your methodology to someone else and then have them do the hack work for you. While you may not be in a position to have assistance in your property business just yet, we do want to treat this like a business and so the more systematic and process-based your approach is, the better it will be. So clearly, this ad-hoc approach to finding deals is not a strategy that is recommended.

Systematic Approach to Finding Deals

The alternative strategy to being ad-hoc and haphazard in your research, is to adopt a systematic research approach. This is where you research upfront the factors that will impact on the deal. You become very targeted at where you are looking and what you are looking for. In fact looking for the actual property itself is the very last piece of the puzzle. Think about the analogy of buying a car. When you first start looking, there are just cars everywhere. But once you know the exact make and model of the car you want, its age and down to its colour, well guess what – you start seeing them all over the place. It goes from ‘a needle in a haystack’ approach, and one where you didn’t know where to start to, “Oh wow, they are everywhere!”

It’s the same with finding deals. The more specific you can be about what you are looking for and where – the more success you will have, and the more in control of the process you will be. So let’s look at an example to highlight what is meant, and then we will deal with each research process individually in more detail.

Let's take a subdivision deal, and apply a systematic approach to our research.

First of all, you need to know what you are looking for, so what are the parameters that make a property sub-dividable?

- ✓ These would include things like land size – what does the minimum land size need to be, to be able to cut one block into two for example?
- ✓ What zoning does it need to be – does the council allow a smaller lot size to be subdivided if it is in a medium density zoning, where they want to encourage a higher density of housing?
- ✓ What does the frontage width of the block need to be?

This stage is called **Strategy Characteristics Research**. There are more details below on how you do this research, but for now let's just be happy with naming it and understanding its importance.

Then you need to narrow down the locations of interest that meet the 'characteristics' of your 'strategy'.

With our subdivision example, if it is medium density zoning that you want to target:

- ✓ Identify these zones on a map.
- ✓ Similarly for our rent by room student accommodation strategy - identify on a map where all the education facilities are, e.g. the universities, TAFE, training hospitals.

Yes, the next step is **Mapping**.

Now that you have a map and know where your locations of interest are, you need a method for honing in on say, three target locations that have that zoning, or three target locations near education facilities. In any town, however, there may be half a dozen or more areas that are medium density zoning, depending on the town size, or there may be 5 private schools. So how do you narrow them down?

The technique used for this is called **Grid Variance Analysis**.

'Grid variance analysis' is a system for comparison between locations. The idea being that if you are going to do a deal and spend any money on the property, you want to do it in a location where there is the greatest potential for uplift in the value. You want to

focus on areas that have a large variance in property price from the low end of the market to the middle of the market.

This is because there are price ceilings in all areas and if you are going to spend money in an area improving the property, you want to get the biggest bang for your buck. You want to choose an area where your \$1 spend has the potential to yield \$3, rather than an area where your \$1 may only yield \$1.50. 'Grid variance analysis' is the tool to give you this information and to be able to guide your decision making process. This tool will be explained in further detail below, but for now let's just recognise that 'grid variance analysis' is an integral component in the deal finding process.

So now you know the characteristics of what you are looking for and have narrowed it down to three key locations that you are targeting, we now want to drill down to a street level and identify which potential streets in that area we are focussing on. So again taking our subdivision example:

- ✓ You want to be in a medium density zoning,
- ✓ You have narrowed down to three suburbs with that zoning,
- ✓ They have the highest variance in property price from the low to the mid of the market.
- ✓ Now you need to get out a map and start shortlisting actual streets of interest. These may be streets that have a number of larger blocks still remaining that could suit subdivision, or they may be streets that are closest to the university if your strategy is to rent by the room, or they may be closest to the train station or key infrastructure that is important to your strategy.
- ✓ Alternatively, they may be closest to the private school in that area, making the property that you develop, much more desirable.
- ✓ This stage in your research also includes identifying those streets that you want to avoid. For example, there may be streets that council has identified as being of heritage significance, making development more difficult, or it may be streets that are flood affected, or are adjoining a waterway, and hence have large setback requirements, reducing the amount of usable land.

This stage of the research process I call – **Street Focussed Research**.

There are a range of tools you can use to do this research and I'll go through them in detail later in this module.

You are now at the stage of actually looking for the property... "Yippee", you say. By now you should see that you are very focussed on what it is you are looking for, where you are looking for it, and why.

- ✓ Now you can start looking on real estate websites, you can start talking to agents about exactly what type of property you are looking for and where, and you can start approaching property owners, if that is part of your strategy.

This is called this the **Property Focussed Research** phase, and there are again, a whole range of techniques you can use for doing this research. These will be explained in more detail later in the module.

By taking this systematic approach, when you do actually find a property in your chosen street, you will already be so far ahead of the game, and the research that you still need to do will be able to be done so much quicker. You will not have to start from scratch and research the area or zoning, or the council requirements – because you will already know them, and you will know whether it's a potential deal or not. Yes, you still have to do your site-specific research, but at least you know if the property ticks your location and strategy requirements.

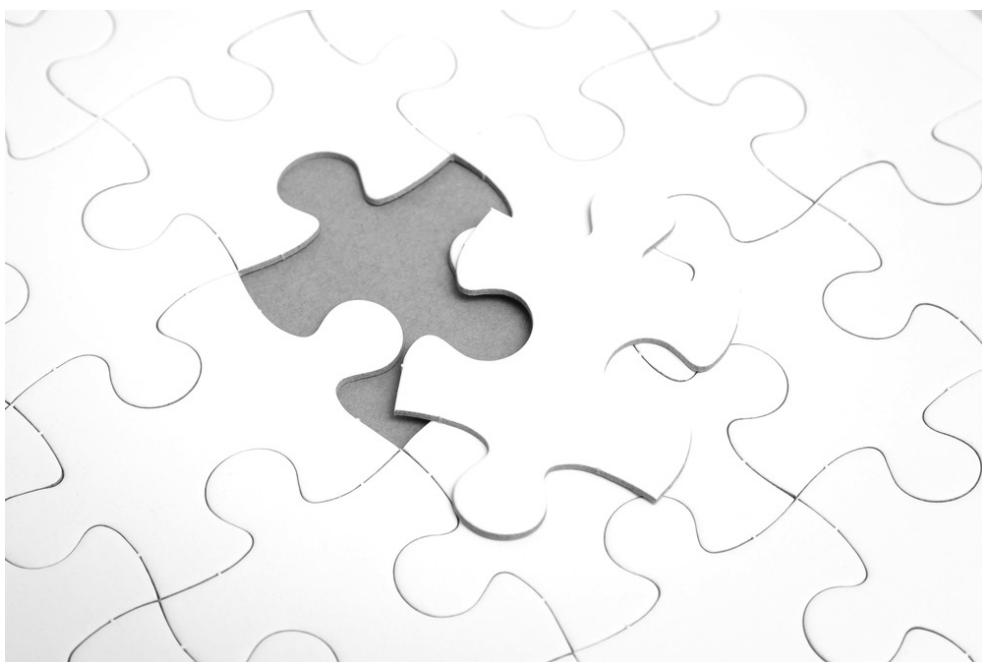


Be Patient

As with anything in life, the first time you do something will take the longest, your learning curve will be the steepest and you may be challenged along the way. But the more times you do it, the quicker you will get, and the more comfortable and confident you will become with the process. This systematic approach to deal finding is no different. Initially, it will take you time to work through the process and at times you may get overwhelmed or frustrated, but you are encouraged to push through it, because the end result will definitely be well worth it, and it will only get easier the more practice you get. The property journey is an on-going process. It's a life long journey, and one that for many will become intergenerational as you pass on your learnings to your family and friends. Therefore, taking the time now to learn the right methods and implement them, will definitely pay dividends!

Also remember that the deal finding process is by no means a static process. It is ever evolving, as new tools and information sources are developed. Certainly the more you do, the more familiar you become with it. You are likely to want to tweak the process and add in other tools you come across, other sources of information you unearth. That is absolutely fine, you are encouraged to do that. There are always new resources coming available, new tools being developed and new ways of doing things. What you are being provided here is a foundation of processes and tools on which you can build and improve over time. Everyone will develop their own style of research, just ensure your process is based on the key fundamentals we have covered in this module.

Let's now delve into each of the research processes that were outlined above and the tools available to assist in the research.



Strategy Characteristics Research

Having worked through Module 3, you should now have a shortlist of the three strategies that you want to focus on. The next step is to flesh out the characteristics that are important to each of those strategies. Clearly, different strategies will have different characteristics and the process of documenting them will help to guide your subsequent research. Compiling a list is the best way to do this, so let's look at some examples, keeping in mind that these are not exhaustive lists, but should at least give you the idea of what has been referred to:

Rent by Room for Cash Flow Strategy:

- ✓ What is the maximum number of rooms that can be rented legally in your area?
– Research the council requirements and Residential Tenancy Act in your state.
- ✓ Do the rooms need to be ensuited or can they be shared facilities? – Research other similar successful student accommodation facilities.
- ✓ Do you need to provide disabled access and what fire mitigation systems need to be provided? Building certifiers will be able to advise on these aspects.
- ✓ What is the maximum distance you can be from education facilities, e.g. university, TAFE, training hospital? Research other similar successful student accommodation facilities and speak to rental agents.
- ✓ Does the property need to be near public transport and shops?
- ✓ What insurance increases will you incur renting in this manner?
- ✓ What is the process of registration with the council and what registration is required?
- ✓ What services have to be provided?
- ✓ What furnishings are required and to what standard?

Subdivision Strategy:

- ✓ What is the minimum land size able to be subdivided?
- ✓ What is the minimum land size of the end product being created?
- ✓ Is a battle-ax subdivision allowed and if so, what is the minimum land size of the rear lot and what is the minimum width for the battle-ax handle (driveway)?

- ✓ Does the minimum land size differ between zones, e.g. low density residential versus medium density zoning?
- ✓ What is the minimum frontage width of the subdivided block?
- ✓ What is the site cover requirement?
- ✓ Is there a requirement to show a building envelope (footprint) on the newly created block to demonstrate that a dwelling can be built on the new lot and meet all regulations?
- ✓ What is the demand for vacant land in your target area or will you need to build on the land to be able to sell it?

Multi Unit Development Strategy:

- ✓ What is the zoning requirement to do multi units?
- ✓ What is the minimum land size required?
- ✓ What is the formula for calculating the density of units allowable?
- ✓ What is the minimum block frontage requirement?
- ✓ What is the impact of site slope?
- ✓ What is the demand for units in the area and what size sells best?

The above are just a few questions to get you thinking about the strategies. You will need to get into a lot more detail on all your chosen strategies and list the characteristic requirements for those strategies.

From the examples above, you can see that manufactured growth strategies that require an aspect of council approval, will require a detailed understanding of the council town plan.

You will need to understand the council's requirements to do that strategy, for example subdivision, multi units, construction and development, and strata titling. The best way to get this understanding is to have a meeting with a town planner, either a town planner in council, or a private town planner. So let's look at this in more detail.

Town Planner Meeting

The more prepared you can be for your meeting with the town planner, the more productive your meeting will be, the more information you will come away with and the more professional you will come across, so make a list of your questions in advance. If you are researching multiple strategies, then compile a separate list for each strategy in order to capture all the information in the one meeting, e.g. subdivision, multi units, and strata titling.

Remember also that town planning requirements can differ greatly between councils and so if your target locations are in different councils, you may need to have meetings with different town planners.

This will definitely be the case if your meeting is with the council town planner, whereas if it is with a private town planner, you will find they generally have a working knowledge of the town plans in their general area, e.g. in a city where you may have numerous councils operating. Obviously ask the question prior to your meeting though, so you know in advance their area of expertise.

For more general questions, talk to the duty town planner at the council. A duty town planner can be a bit of a 'hit and miss' affair. The duty planner will be the person who is assigned that day to answer questions at the front desk – sort of like playground duty for planners.

Sometimes you get a very experienced planner who can be very helpful and on another day you get someone fresh out of college and not that experienced, or worse, you get someone who is just having a bad day and not helpful at all. A council town planner is paid to answer your questions – the trick is, you need to know what questions to ask in order to get the right answers.

This is why preference is given to using a private town planner as they are paid by you to give you advice and guide you to the best and highest use of a particular application. It is better to pay to be advised than miss out on a deal because you didn't know the right question to ask – or worse still get into a bad deal because you didn't know the right questions to ask.

Let's get prepared now. Make a list of questions you will need to ask your town planner about the strategy or strategies you are considering for your first deal.

[illegible]

Researching Relevant Legislation

This part of your research is relevant where your strategy involves a level of compliance with other legislation. The rent by room strategy is a great example, because you need to understand first the maximum number of rooms that you can rent out to unrelated people. Council may have a policy on this and the town planner should be able to guide you, but there is likely to be State legislation as well. Researching the Rental Tenancy Authority in your State would be the obvious place for this.

What legislation is going to affect your chosen strategy? Which department governs this legislation? Where do you go to get a copy of guidelines and rules that surround your chosen strategy?

Now print out these guidelines and read them!

If there is anything you don't understand, make a note to ask your town planner about it?

Researching Other Examples of Your Strategy

What is being referred to here is leveraging off the success of others that are already doing the strategy you are proposing. For example, by researching other student accommodation providers in your area and the characteristics of their properties you will fast track your learnings. With the rent by room student accommodation, you need to determine the maximum distance you can be from the education facility, because if you are too far away, your strategy may not work, or you may not be competitive with the other providers in the area.

Part of this learning will come from reading the guidelines above. However, it is incredibly useful to talk to others involved in that particular strategy. That's why the Love Real Estate community is so amazing – there will be someone in the community that has already done your strategy. Jump on the forum and start chatting. Ring up other owners of properties with a similar strategy in your target (or even non target) area. Your coach may also be able to assist you as they have done most strategies themselves.

Researching what the market wants and where it wants it

This part of your research is defining your strategy in relation to what the market wants and where it wants it. For example, if you are doing a renovation, how many bedrooms do you need to be targeting and what size should they be? Do you need to be providing single or double garaging? Is two-storey preferable or does the market want low-set? Where does the market want to be? E.g. do they want to be near private schools, or near other key infrastructure like public transport, shops, café area, university etc.? How far away is too far away from these areas? Which areas are highly desirable and which are less desirable? Which are the more affluent and which are the more affordable?

Knowing this information will clearly guide you in the ultimate selection of the property; what it is, or what it needs to end up being, and where it is. This process does not need to be exhaustive, certainly a phone call to two or three real estate agents in the general area will yield valuable information. You might start the conversation by saying, "I'm looking to do a renovation to on-sell, what is the easiest to sell and where, at what price point does it need to be," and if it's to an investor purchaser, then, "What yield are they looking for?"

At the end of this process, whether you are looking to do a subdivision or renovation, you should now know what it is you are looking for, where it needs to be and why. For our subdivision example, you now know that you need a land size of 800m² (obviously this will change from council to council), it needs to be a minimum frontage of 15m

and in a medium density zoning. For our renovation example, maybe you want the end product to be 4 bedrooms, and near a private school, and or train station. For our student accommodation example, you might want to be within 1km of a university, TAFE or hospital, renting a maximum of 5 bedrooms, with share bathroom facilities being okay. These are just examples, but you get the idea.

So now we are ready to show on a map the areas that meet our strategy characteristics.

Notes

[illegible]



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Mapping

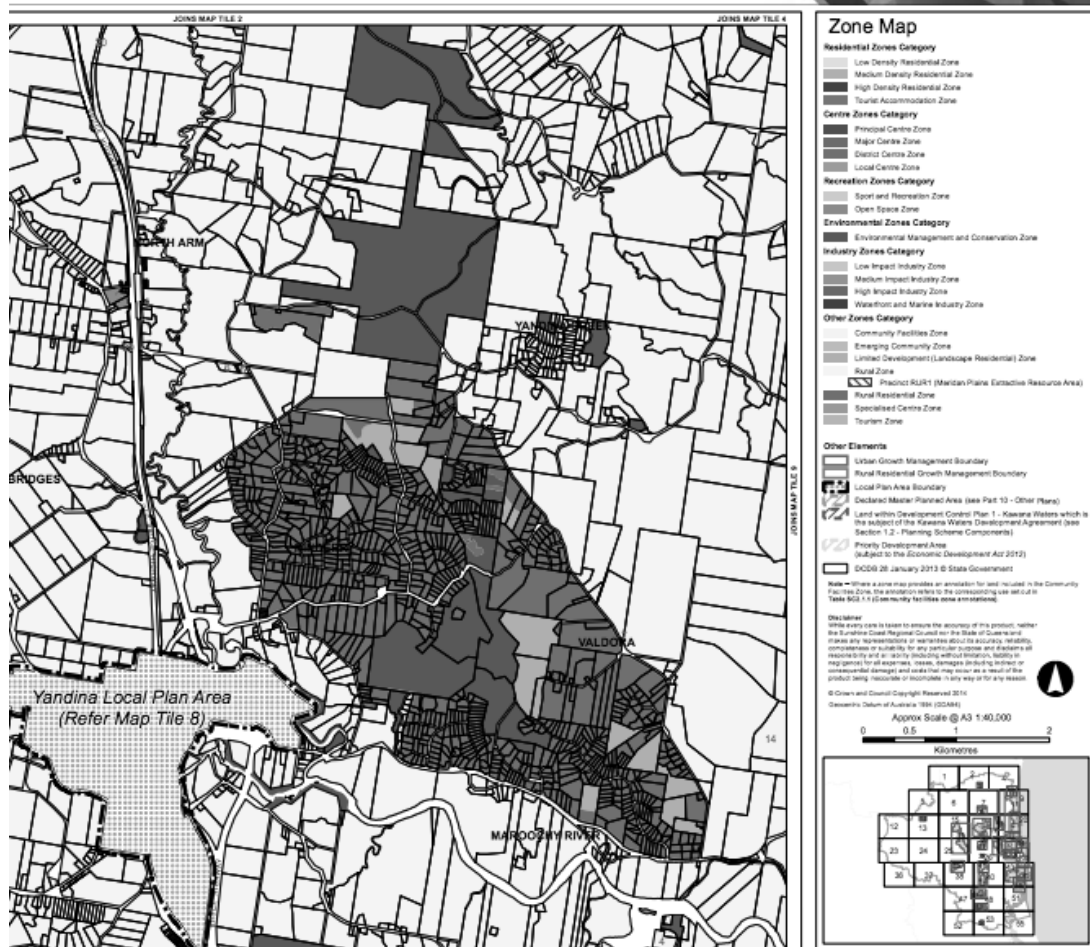
Now that you know the key characteristics of your strategy, you need to reflect them on a map. For any of the strategies where zoning is important, the council zoning maps will be the source of this information. If your strategy requires you to be a certain distance from key infrastructure, e.g. private schools, university etc., then using a tool like Google and Google Maps will assist in that process. So let's look at each of these tools.

Council Zoning Maps

Every council town plan will have zoning maps that show where the zonings are located across the region. Most councils will have these zoning maps available on their website, but for the smaller councils, you may need to visit them to get a hard copy version. If you are targeting medium density zoning for example, you will be able to read off the map legend the colour code for medium density zoning, and then identify where on the map they occur.

You will be able to see the distribution of those zoning areas, and you will be able to see the suburbs where they are located. This is important for our next step, which is to compare between these suburbs using 'grid variance analysis' to reduce them down to say, three target areas.

Sunshine Coast Planning Scheme 2014



The above map is an example of a small town in a built up area and as you can see the colour legend highlights the permissible uses for the respective areas.

Google & Google Maps

Where your strategy requires you to be a certain distance from key infrastructure, doing a Google search to find that infrastructure, and using Google Maps to depict the locations on a map are great tools. Obviously there are other search tools you can use, but you get the idea. So if your strategy is to be near education facilities for your student rooming accommodation, you would do a Google search to identify the universities, TAFE's, colleges and training hospitals in that town, and then use Google Maps to show where they are located. Similarly, if you are targeting private school areas for your renovation strategy, doing a Google search to identify all the private schools in that area and then reflecting them on a map will give you a visual image of the potential areas of interest.

Now you know the areas in the town you are interested in, you can use 'grid variance analysis' to compare them, and be able to narrow them down to your three target areas.

Notes

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Grid Variance Analysis

'Grid variance analysis' is a research technique to analyse a market using a grid based format to identify sufficient variance in the market, so that manufactured growth strategies can be employed to take a property from the low end of the market to the mid point of the market. The reason why you are taking it to the mid price point of the market is because that's where the most buyers and renters are. While it is important to have some upside in the market, you really don't want to position your end product at the high end of the market, because there are less buyers at that level, and remember, you are always targeting the maximum volume.

From a practical perspective, 'grid variance analysis' is a method to compare the price variability between different locations, whether that is between different suburbs, different towns, or even different countries. Obviously we are not taking it that far regarding countries, but you get the general idea. On a suburb basis, it is a way to shortlist those suburbs that have a greater potential for price uplift than others. It's a way to determine where you are likely to get the biggest bang for your buck. Remember, you want to shortlist those areas that are likely to give you the greatest return for your money spent.

The first step in 'grid variance analysis' (GVA) is to create a list of the areas that meet your criteria from the mapping process described above. Using our examples above, depending on your strategy, this might be suburbs with medium density zoning, or suburbs in close proximity to education facilities.

For each suburb, GVA then involves determining the price difference between the low end of the market and the mid of the market, and then representing that as a percentage, which is called the % variance. You then rank the suburbs from highest % variance to the lowest. The idea is to target those suburbs with the highest % variance. For those that are wondering, the reason why the variance is expressed as a percentage is because, it allows us to compare between suburbs with different entry price points.

Let's work through some examples so you understand how the calculations are done. Let's assume we are comparing between three different suburbs of medium density zoning:

- ✓ **Suburb A** = Low price of \$300k and mid price of \$400k, therefore the calculation is $\$400k - \$300k = \$100k$; $\$100k / \$300k = 0.33 \times 100 = 33\%$. Therefore, in this suburb the \$100k difference off a \$300k entry price, equates to a variance of 33%.
- ✓ **Suburb B** = Low price of \$500k and mid price of \$600k, therefore the calculation is $\$600k - \$500k = \$100k$; $\$100k / \$500k = 0.2 \times 100 = 20\%$. Therefore, in this suburb the \$100k difference off a \$500k entry price, equates to a variance of 20%.
- ✓ **Suburb C** = Low price of \$500k and mid price of \$700k, therefore the calculation is $\$700k - \$500k = \$200k$; $\$200k / \$500k = 0.4 \times 100 = 40\%$. Therefore, in this suburb the \$200k difference off a \$500k entry price equates to a variance of 40%.

You can see when you compare between suburb A and B, they both have a price difference of \$100k, but the % variance is highest for suburb A at 33%. This is because it is coming off a lower entry price point. So all things being equal, if you were going to spend money in a suburb, you would chose suburb A over suburb B.

Conversely, if you compare between suburb B and C, they both are coming off the same entry price point with a low of \$500k. The % variance, however, is highest for suburb C at 40%, so you would choose suburb C over suburb B to invest your money.

Depending on what strategy you are looking to implement, the variance or the spread needs to be enough to cover your in and out cost which can usually be estimated by taking 6% of purchase costs adding your strategy cost which can not be generalised, because a renovation is going to be different from a subdivision which is different from a construction, and still having some left for a profit.

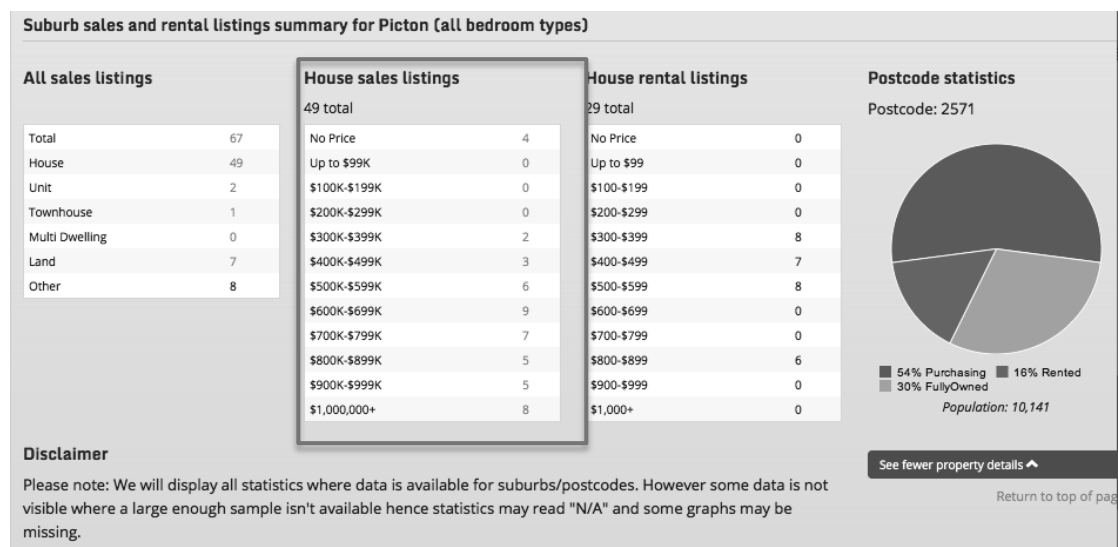
Module 4 – Finding Deals, Research & Tools

Dollar Variance	\$xxx
Less	
In and Out Costs	\$xxx
Strategy Costs	<u>\$xxx</u>
Your Profit	\$xxx

A very important aspect of doing 'grid variance analysis' is to compare like for like product. That means that if you are targeting medium density zones and you require a land size of 800m2 to do a subdivision, then you want to do your GVA only on properties of 800m2 or more. So now we are calculating the difference between the low price and mid price of 800m2 properties only. Alternatively, if your strategy is purely renovation, then you want to look at the price difference between unrenovated properties at the low price point and renovated properties at the mid price point.

You can determine the spread of prices from low through to high by scanning through the listings. Alternatively, the program Investar gives the spread in prices for a given search criteria.

For example, you can search properties of a minimum of 800m2 in a given suburb, and Investar will give you the range of price points of property in your search criteria, from the low of the market through to the high. See the screen shot below. For the suburb of Picton, NSW, the low of the market is \$300-400k and the mid of the market is \$600-700k and there are sales above \$1M.



Another important aspect of GVA is that you want a reasonably sized dataset to make sense of the analysis. This means you need a reasonable number of properties to be able to compare against.

As a rule of thumb, you want at least 15 properties to compare against, but more is better. For this reason, GVA works best in metro areas where there is volume in the market. Initially you would look at properties on the market, e.g. 800m² properties listed for sale. However, if there are not enough properties listed, then you would also include sold properties in your dataset for analysis, preferably properties sold within the last 6 months. If after including 'for sale' and 'sold' properties in your dataset, you still only have a handful of properties, then the analysis just becomes much more subjective.

This is certainly likely to be the case in smaller, more regional towns where there are less properties on the market at any point in time and overall less properties sold that match a given criteria. In this instance, you may not be able to do rigorous data analysis, but you should still be guided by the general theory of GVA, in that you are wanting to target those areas with the greatest variance between the low and mid price.

Hopefully you can see that by calculating the variance for each suburb on your list, and then ranking those variance figures highest to lowest, you now have a method for being able to shortlist your suburbs. Remember that our aim is to narrow it down to three target suburbs or areas.

Now that you have been shown the manual method for calculating 'grid variance analysis', you will be pleased to know that one of my students has actually created a computer program that does these calculations for you. Again, it works best in metro areas where there is volume in the market.

John Bone's Grid Variance Program takes my concept of grid variance and simplifies it by breaking down large populated areas into sections (grids, but more practically – suburbs) and then analysing the properties for sale in the area to get the average low, mid and high price ranges. The logic is that areas where there is the greatest variation between the mid to low and mid to high represent the best areas where renovations and redevelopment are likely to achieve the best financial returns. The same process can also be used to identify areas with the potential for organic growth when price growth has fallen behind neighbouring suburbs.

The program extracts information from the internet and provides a simple break down of the average mid, low and high prices and the percentage variation for any suburb or town

in Australia. The program also provides many other search alternatives and a mapping function that allows you to visually see where each of the selected properties is located by colour coding properties in their price points.

The program is distributed at an annual licence fee to all students for \$220 plus GST (\$242 – a 50% discount applies in all subsequent years).

You can download a tutorial video that demonstrates the program as well as detailing the limitations.

<https://www.hightail.com/download/ZUcyakl0WkJ3NUtKUmNUQw>

The video can also be viewed on YouTube

<http://youtu.be/8ZYM6fQGA7A>

or simply Google “Grid Variance Program”.

If you want more info or want to have a free trial send an email to sales@realestateinvestingsoftware.com.au

Just a final word for those who are wondering - the word ‘grid’ in ‘grid variance analysis’ comes from the fact that with this technique, you can draw a grid pattern over any area, for example a whole town, and then sequentially work through every grid to determine the price variance for each grid. From there you are able to compare between each grid to determine those grids and hence, suburbs with the highest variance and those that are likely to give you the biggest return for your dollar spent.



PLATINUM ACCELERATOR

Street Focussed Research

Let's briefly recap on where we are at in our systematic approach to deal finding. From Module 3 we know the three strategies we are focussing on are renovation, rent by room, and subdivision.

For each of these strategies, the first step was to research them, define the important characteristics of each strategy and list them down, e.g. 800m2, medium density zoning for subdivision.

The second step was to take each strategy and show on a map the areas that matched the characteristics for that strategy, e.g. map all the medium density zones.

Step three was to use 'grid variance analysis' to compare each of the mapped medium density areas and shortlist them down to the top three. These are the top three with the highest variance between the low and the mid of the market, hence the highest likelihood for upside in the market.

From here, you are now ready to drill down to a street level within each of these target areas.

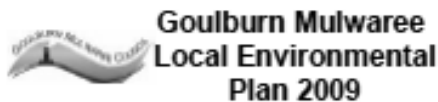
The reason you want to drill down to an actual street level is because within any target area there will be certain streets that are a higher priority, and that better meet your target criteria than other streets. There will also be streets that you want to avoid for certain reasons. Let's look at some examples to explain. Let's take our subdivision

criteria of 800m² and medium density zoning. By drilling down to a street level, you might find that there are certain streets with more 800m² or larger properties than others. You might find that there are certain landmarks that you want to target within that area, e.g. a train station, or café strip, and so you target the streets in closest proximity to the train station or café strip. Alternatively, there may be certain streets that you want to avoid, for example, streets that are flood affected, or streets that are very steep, and therefore would be very costly to develop. There are a number of research tools you can use to drill down to this street level, and these will be reviewed below.

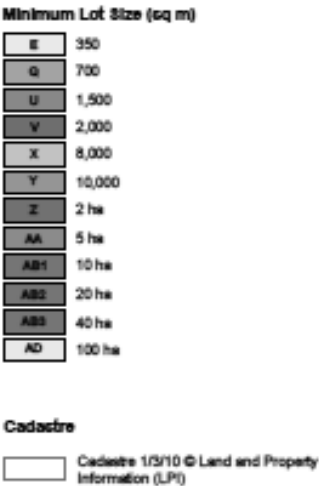
But just quickly, before we get into the detail, remember that the reason we are doing this street level research is because you need to become an area expert. You need to know the streets in your target areas that tick your boxes. This is so that as soon as a property comes on the market in those streets, you already know that it is likely to be of immediate interest. That means you can move much more quickly on the deal. Also, because you know the area, the streets, and the prices, you will know if it is priced right and if it's a potential deal as soon as you look at it. You will be in a much stronger position to act on it than the next person who hasn't done all the background research that you have already done.

Also, remember that it's not just about waiting for a property to come on the market. Instead, by knowing the streets of interest to you, you are able to take an active approach to securing one of those properties. Whether that's by door knocking, letterbox drops, or educating your real estate agents... but more on this in the final section of this module.

Here is the legend for a sample from the Goulburn Council lot size map to give you an idea of what lot sizes are permissible in certain areas. As you can see you are better to look for properties for subdivision where the lot size is appropriate like in the infill areas in the 700m² areas, rather than spending a lot of time and money trying to change the council's mind in a 2000m² area.



Lot Size Map - Sheet LSZ_001D



Council Websites

Most modern council websites include a town planning section that details the town plan, the maps associated with the town plan, plus various mapping tools. It is these mapping tools that we are particularly interested in here, specifically the overlay maps.

Overlay maps reflect various environmental constraints and planning constraints that impact across that region. Environmental constraints and hence map overlays may include, flooding, waterways, vegetation protection zones, bushfire hazard, land slope, geo-sensitive areas like slip zones.

By opening up each overlay individually and zooming in on your target area, you will be able to drill down to a street level and identify those streets that are clear of environmental constraints and those that are impacted. For example, you will be able to identify those streets that are flood affected and that you may want to avoid. You will be able to identify those streets that are very hilly and steep, and hence reflected by slope contours that are very close together on the contour overlay map, and that may be too costly to develop, or that council are less likely to support development of.

Alternatively, you may want to avoid areas that back onto major watercourses where council impose wide buffer zones and hence, you can potentially lose a chunk of usable land.

With regards to planning constraints, these include such things as heritage overlays, road hierarchy overlays etc. For example, you may choose to avoid main roads, or not, just depending on your strategy. Hopefully, you get the general idea though that by using these maps you can better narrow down the streets that you are interested in and those that you are not.

Please understand that none of the examples above are hard and fast rules, and you need to understand the individual council's position regarding these environmental and planning constraints. The opportunity to gain this understanding is when you do your research with the town planner back at the beginning of this module. Whether that was a phone conversation or a face to face meeting with a council or private consultant town planner, you need to ask them to explain the various environmental and planning overlay constraints that impact on developing property in that council area.

For example, council may depict the flooding map as colour coded high, medium and low, and the town planner advises to avoid high flooding areas as council will not allow further development in those areas. Alternatively, the planner may explain that

the heritage overlay is only relevant to properties with a home built pre-1945. Now these are just examples so do not hold them as gospel. They are purely to give you an understanding of the type of questions to ask and the general process.

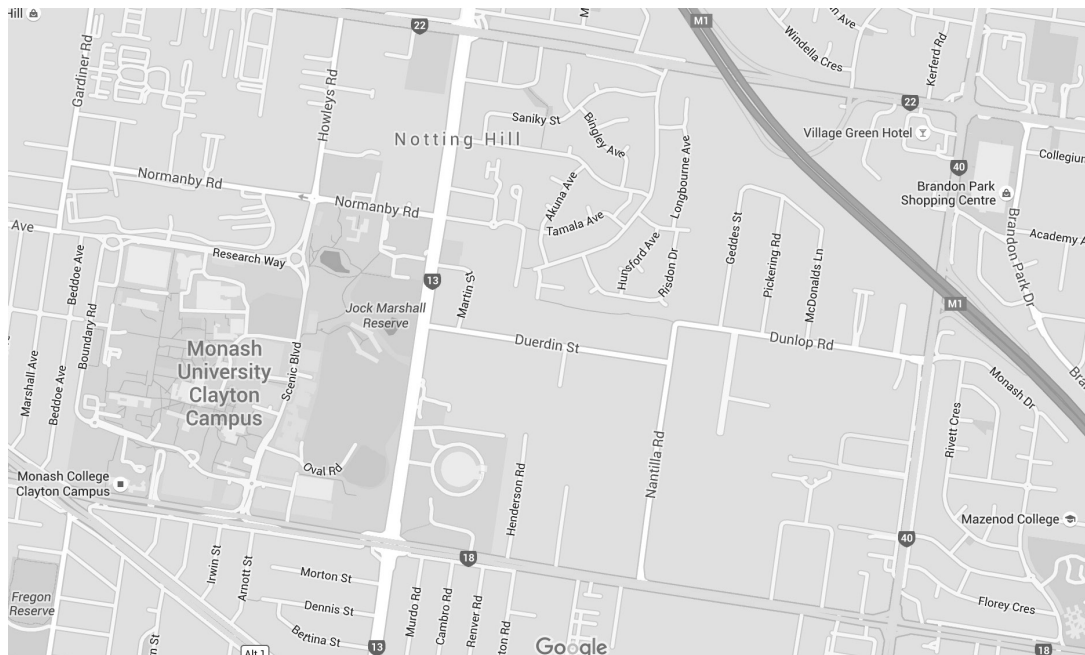
It is also important to understand that these council maps are not 100% accurate and for each site you still need to confirm the accuracy and relevance of the council mapping. It does give you a good starting point though.

For example, a street may be in a vegetation protection area, but if the properties of interest to you have no native vegetation remaining, then clearly they are not impacted by this constraint.

Land size is also another important characteristic that can often be determined from the council mapping tools. By looking over the streets in your area of interest you will get a feel for those streets that have properties with the land size you are targeting. For example, if you are needing land of over 800m² for subdivision, you may find that there are certain streets in the area that have larger blocks of that size that you are wanting to focus on. Similarly, you will identify streets that have only smaller blocks, and hence you may be less interested in focussing on.

Google Maps

Mapping tools like Google Maps and Yahoo Maps are very useful for identifying key infrastructure in your area and the streets in close vicinity to that infrastructure. For example, from these mapping tools you will be able to see in your chosen area the train stations, railway lines, parks, hospitals, schools, shopping complexes, university/ TAFE, sporting facilities etc. Taking our example of doing a renovation for a rent by room strategy and wanting to be near an education facility, now you can narrow down to the streets within 500m of the university, or TAFE, or training hospital in your area of interest. Obviously you don't have to do everything online, and a street directory or local information map will be just as good for this process.



Internet Searches

Doing internet searches on your area of interest can also unearth very relevant information. For example, if part of your area of interest is underneath a flight path, you need to understand the streets that are affected, and a Google search will unearth this type of information, as there will be websites or documents covering this. Similarly, council documents and meeting minutes can reveal relevant information, as can news articles on the area. Just be careful though that you do not turn this part of the research process into a fulltime job. You are best to set yourself a timeframe to do this type of searching, so that you do not get distracted going off on other tangents, or so you don't get bogged down and use this as an excuse for not taking further action. Research is an essential part of the process, but you do not want to fall into the trap of 'analysis paralysis'.

Talking to Locals

A lot of information on target streets can also be gleaned from speaking with locals in your area of interest. This includes speaking with the people at the Local Information Centre, property managers, and even locals at the pub. What you want to find out is where are the preferred streets in your area of interest and which to avoid, e.g. streets with lovely leafy streetscape, or good views, or bad views (e.g. onto industrial buildings), or streets of higher crime, or areas dominated by unit blocks, or areas that experience air plumes from local industry due to prevailing wind direction. Remember, you want to become an area expert.

By now you should have a list of the target streets in your three preferred areas, and this now leads us to our final step in finding a deal, which is to focus in on an individual property level.

Property Focussed Research

The aim of this final stage of the research process is to locate actual deals. It is at this stage that we are looking at properties. Hopefully you can now see how this structured research approach differs from the ad-hoc approach which usually starts with finding a deal, and then scrambling to do all the research required to understand if it has potential or not. There are numerous tools for drilling down to the individual property level and they can be divided into two categories.

- ✓ Firstly, tools for finding individual properties, including property websites, real estate agents, talking to locals, letterbox drops, door knocking.
- ✓ Secondly, tools for researching those individual properties, including council website, RP data. These will be covered in more detail next.



PLATINUM ACCELERATOR

Finding Individual Properties

Real Estate Agents

Now that you have narrowed your research down to individual streets of interest and the particular property characteristics you are looking for, you are in a perfect situation to engage with the local real estate agents. By being much more prescriptive about what it is you are looking for, clearly the agents are going to be able to bring you quality listings, rather than just anything. Also, request that the agents approach homeowners directly and create a listing that may not currently be on the market. By being prepared, you will also come across to the agents as being very professional and that is very important in order to get them to prioritise you over anyone else.

Property Websites

The type of websites referred to here include the obvious ones like RealEstate.com.au, Domain, Homehound, and Investar. Also there are the commercial property websites too like RealCommercial.com.au and Commercial.com.au. Other websites include private sale websites including Owner.com.au, NoAgentProperty.com.au and BuyMyPlace.com.au, plus Public Trustee and mortgagee sale websites.

Also included are websites that sell things other than property, including Gumtree, eBay and the Trading Post to name a few. With most of these search engines, you can filter your searches based on the criteria that meet your strategy. You can also set automatic alerts that alert you as new listings come on the market that meet your criteria.

Property websites like RealEstate.com.au also have map view that plots the listings on a map, and so you can immediately see if they are in your chosen streets.

Talk with People & Spread the Word

Get the word out to your network about what type of property you are looking for and where. This might include your family, friends, consultants, trades people, etc., because you just never know who they may know, and then who that person may know in terms of accessing those people that might be thinking of selling.

Letterbox Drop

This is another way of unearthing a property that is currently not on the market for sale, but that meets your criteria. It involves you writing a personalised letter to the homeowner, introducing yourself as someone that wants to buy their property. A handwritten letter has a much more personalised feel, but it does depend on the number of properties you are targeting. A typed letter is easier to throw out or not read than a handwritten letter. Coloured paper that looks like an invitation to a party, like mauve or pale blue, is a good choice. Remember that you are not necessarily letterbox dropping the whole street either. Instead, you might just 'cherry pick' those properties that are your highest priority and that you know from your previous research tick all your criteria boxes, and that are therefore your highest priority.

Door Knock

Similar to letterbox dropping, the technique of door knocking is one that is focussed on properties that you know tick your criteria boxes. In this instance you are actually knocking on the front door to speak with the homeowner and find out if they are interested in selling. Alternatively, if they are outside in the garden, checking the letterbox, or working in the shed, you might start chatting to them as you walk past. Either way, you get the general idea. Remember that even if they say no, you should still ask them to keep your details in case their situation changes in the future. Also ask them if they know of anyone else in the street or area that may be considering selling. Again, you just never know who they might know.

Researching Individual Properties

Now you are at the stage of researching individual properties of interest and again, there are a range of tools used in this regard.

Council Websites

Most modern council websites also have a searching tool where you can search on individual property addresses. They are often under the 'planning and development' part of the website and sometimes called 'PD online', or 'development information site

report'. By typing in the property address, the environmental and planning constraints affecting that property are listed, any planning and development applications lodged for the property are noted as are the supporting documents, plus the characteristics of the property, including such things as land size, lot and plan details etc.

The other important information that can sometimes be sourced from council websites is the location of easements and services relative to a property. The type of services referred to here are water main, sewer main and storm water services. Where your strategy is to develop the property or subdivide it, or even just build on it, or extend the existing property, the location of these services is critical, as they can be very costly to have to extend, relocate or redirect. If this information is not available online with council, it may require a visit to the council office. Alternatively you can register online with Dial-Before-You-Dig and access this information, in addition to telephone and electricity infrastructure to the property.

The type of information available from council will be very council specific, so you will need to research the tools available to you on your council website. Again, the town planners should be able to brief you on this.

RP Data and PDS Live

Both of these websites are subscription based, so you need to pay to access them. However, they are very integral to your toolkit. For every property, they list the previous sales information including sale price, sold date and agent, the current and previous marketing campaigns, they show all the photos of the property, a map of the property including perimeter dimensions and area, and depending on your State, the owners details may be included. Clearly, all of this information is highly relevant. These sites also allow you to do radial searches and mapping searches, which are key in understanding the profile of sold properties in the area, and also for researching comparable sales.

Investar

We have used this program to assist in finding the deals, however, it is also very useful for providing information relevant to a property, including the level of supply and demand in the area, the average number of days on the market, amount of discounting in the area, the rental rate profile of the area, and the sale price range, to name a few (see following page). This is all important information to confirm that the area ticks your boxes from a supply and demand perspective, volume of sales etc.

Module 4 – Finding Deals, Research & Tools

Resources

[Get finance for this property >>](#)

Full search result details on www.domain.com.au

View on Google Maps & Street View

PICTON on Wikipedia

WOLLONDILLY SHIRE council website

Recent planning applications

NSW environmental planning website

NSW infrastructure website

SOLD HOUSES on domain.com.au for PICTON

RENTAL HOUSES on homebound.com.au for PICTON

RENTAL HOUSES on domain.com.au for PICTON

Picton suburb stats

Vacancy rate	1.0%
1 yr vacancy rate change	-0.4%
Average days on market	128
Current listings	67
Listings cleared in the last 30 days	26
Clearance rate	38.8%

★ BOWRAL - NEW

\$550,000 (84.0 % of median)

10 Arborea Pl, BOWRAL, NSW 2576

House

3

1

1

Land size: 800 m²

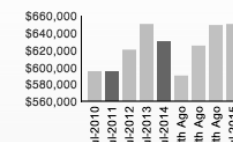


www.domain.com.au

Bowral 3 b/r house stats

Median listing price	\$655,000
1 yr listing price growth	4.0%
Median weekly rent	\$470
1 yr weekly rent growth	7.0%
Median gross yield	3.7%

Median price



Snapshot

	Yr 1	Yr 10
Cash flow p/a (pre-tax)	(\$11,928)	(\$7,677)
Potential gross yield	4.2%	5.4%
Total returns (cash & growth)	\$8,015	\$136,475

Analyse in full

See fewer property details

Suburb sales and rental listings summary for Picton (all bedroom types)

All sales listings

Total	67
House	49
Unit	2
Townhouse	1
Multi Dwelling	0
Land	7
Other	8

House sales listings

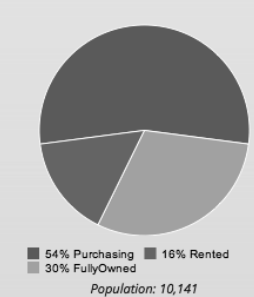
49 total	
No Price	4
Up to \$99K	0
\$100K-\$199K	0
\$200K-\$299K	0
\$300K-\$399K	2
\$400K-\$499K	3
\$500K-\$599K	6
\$600K-\$699K	9
\$700K-\$799K	7
\$800K-\$899K	5
\$900K-\$999K	5
\$1,000,000+	8

House rental listings

29 total	
No Price	0
Up to \$99	0
\$100-\$199	0
\$200-\$299	0
\$300-\$399	8
\$400-\$499	7
\$500-\$599	8
\$600-\$699	0
\$700-\$799	0
\$800-\$899	6
\$900-\$999	0
\$1,000+	0

Postcode statistics

Postcode: 2571



Disclaimer

Please note: We will display all statistics where data is available for suburbs/postcodes. However, some data is not visible where a large enough sample isn't available hence statistics may read "N/A" and some graphs may be missing.

See fewer property details

Return to top of page

One cautionary note to be made at this final stage of the structured deal finding approach is that there is no perfect deal. Despite all of the tools and techniques that have been detailed and even with your best research, it is unrealistic to expect that every property will tick every one of your criteria boxes. The best you can do is select the property that ticks the most boxes and that meets your criteria the best, otherwise you may find yourself researching until the cows come home, which is definitely not the intention.

The best suggestion here is to set yourself a timeframe to undertake this research, break that timeframe into measureable and achievable chunks, and then set about implementing it.

Waiting... for the perfect deal



Notes

[illegible]



PLATINUM ACCELERATOR

MODULE

5

PROPERTY CHARACTERISTICS & SITE-SPECIFIC RESEARCH

Module 5 – Property Characteristics & Site-Specific Research



PLATINUM ACCELERATOR

Property Characteristics

Let's briefly recap on where we are at and how this leads us onto the current module.

- ✓ In Module 1 you got market ready. You got yourself into a position to move forward in your investing.
- ✓ In Module 2 you set your goals and identified what it is you are working towards.
- ✓ In Module 3 you selected your general location of interest and target strategy.
- ✓ Then in the last module – Module 4 you worked through a strategic approach to finding the deal, from researching the characteristics specific to your chosen strategy, street focussed research and then property focussed research.

Now you are at the stage of honing in on the actual deal and doing site-specific research on properties; really drilling down into the property characteristics.

When looking at the required characteristics of a property, this is very specific to the strategy you are undertaking, and for this reason this module has been broken into manufactured growth strategies and income strategies.

The property characteristics relevant to each strategy, have been detailed and then the process of researching these characteristics is stepped through.

Manufactured Growth Strategies

In Module 3, you were introduced to the range of manufactured growth strategies. These are strategies where you actively do something to the property to increase its value. Whether that's increased value in the form of equity, if you intend to hold, or profit created from selling the property, or a combination of the two. Also remember that manufactured growth strategies are equally as applicable to residential, commercial, and industrial property, and the research process is very similar across the various property classes.

Let's work through each of the strategies and the property characteristics that need to be considered for each. Just keep in mind though, that there is never a perfect deal – not every deal will tick the box of every characteristic. There are certainly some characteristics that are more critical than others, and these will be highlighted as we go through. Some characteristics are non-negotiable, others may be less so and may just cost you more money to address, or may result in the deal taking longer to do. Either way, you just need to understand the potential impacts.



PLATINUM ACCELERATOR

Subdivision

The strategy of subdivision is to break one piece of land into smaller land parcels. Obviously scale has relevance and it could be subdividing a standard residential block into two, or it could be a much larger subdivision of 10, 20, or even 100 plus blocks.

Below is a list of the property characteristics relevant to doing a subdivision strategy.

Land Size

The council town plan in your location of interest will specify the minimum land size able to be subdivided. The plan will also specify the minimum land size per lot, and that will allow you to calculate the number of potential lots you can create. For example, if the minimum land size able to be subdivided is 800m² and if the minimum lot size is 400m², then clearly an 800m² block can potentially be divided into two 400m² blocks. Whereas, a 1200m² block could potentially be subdivided into three 400m² blocks, or two 600m² blocks.

In order to find a property that has potential to be subdivided, conducting a search based on land size is usually your first step. You will find that most real estate websites will allow you to filter your search based on a selection of criteria; land size being just one of them. For example, using RealEstate.com.au and our 800m² example, you would specify your location/s of interest and then click on the 'More Refinements' button and filter the search by entering 800m² into the minimum land size. Below is a screen shot of this search. When you then open up the listing for a particular property, the land size will generally be listed at the bottom of the description.

Module 5 – Property Characteristics & Site-Specific Research

The screenshot shows the realestate.com.au search interface. The 'Min. Land' field is circled in red and contains the value '800'. Other visible fields include 'Address, suburbs, postcodes, or regions' (Nambour, QLD 4560), 'Property type' (House), 'Min. Beds' (Any), 'Max. Beds' (Any), 'Min. Price' (Any), 'Max. Price' (Any), 'Bathrooms' (Any), 'Car spaces' (Any), 'New or Established' (Any), 'Indoor features' (Any), 'Outdoor features' (Any), 'Eco Friendly' (Any), 'Keywords' (empty), and 'Update search' button.

Investar is another search tool that many of you will choose to use owing to its flexibility. What is meant by flexibility is that with Investar, you can still filter on land size as described above, but you can also do keyword searches and it also allows you to specify in your search, particular strategies including subdivision. Below is a screen shot of this search.

The screenshot shows the Investar Search interface. The 'Keyword strategies' dropdown is circled in red and contains the value 'Subdivide'. The 'Land size (m²)' field is also circled in red and contains the value '800'. Other visible fields include 'Price range' (All to All), 'Select keywords' (Subdivide, Subdivision, Subject to council approval), 'Add these keywords (space-separated)', 'Exclude these keywords (space-separated)', 'Property type' (All), 'Min' to '5+', 'Min' to '5+', 'Min' to '5+', 'Include land' (checked), 'Land size (m²)' (800 to Max), 'Property yield' (Min to Max), 'Listing age' (Min to Max), 'Suburb rental yield' (Min to Max), 'Suburb 1 year growth' (Min to Max), and '% of suburb median' (Min to Max). The 'Search' button is visible at the bottom right.

Remember that most programs like Investar have online tutorials that walk you through the program, teach you how to use it and how to get the most out of it.

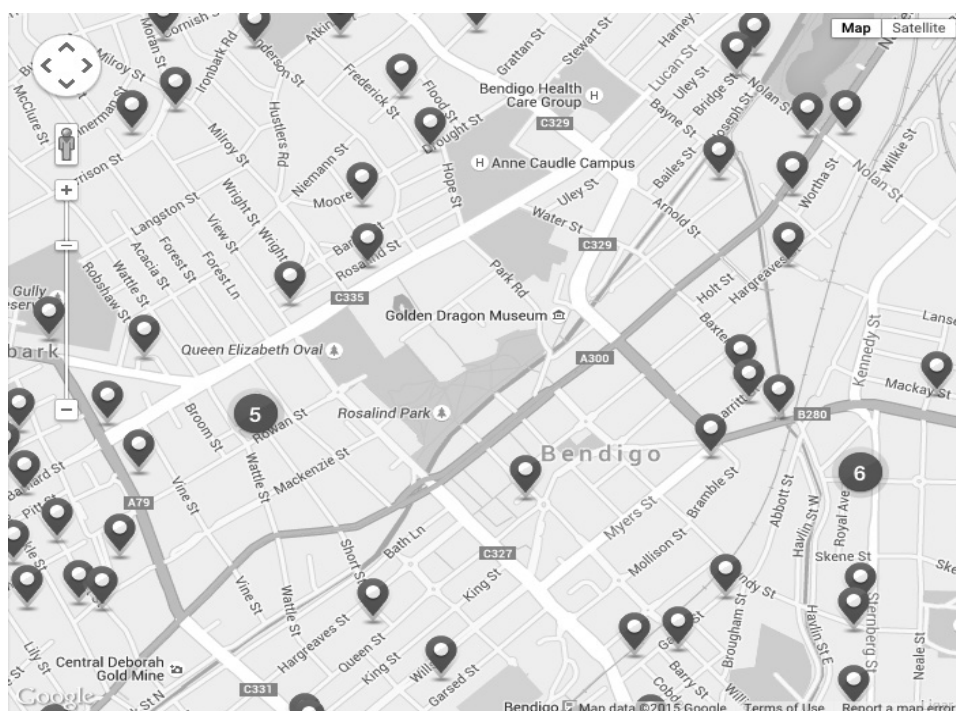
It is highly recommended that you spend the time working through these tutorials to ensure you are using these programs to their fullest.

Zoning

The council zoning is equally as relevant as land size for a subdivision strategy. This is because many council town plans allow a smaller land size to be subdivided in medium and high density zonings. As the names suggest, these latter zonings are designated for higher density housing, where council wants to encourage a larger number of dwellings in these areas, because they are typically close to infrastructure like transport, shops and the like.

For example, in a low density zoning, the minimum land size might be 800m², hence you would require a 1600m² block in order to subdivide. In contrast, in a medium density zoning the minimum land size might be 300m² and hence a 600m² block of land could potentially be subdivided into two lots. Alternatively, in a rural zoning the minimum land size might be 10 acres, hence you would need at least 20 acres to have the potential to subdivide. Clearly, understanding the impact of zoning is critical.

The way to accommodate zoning in your search for a property is to firstly understand the location of the zones of interest to you. We covered that in the mapping section of the previous module. Then with most searching tools like RealEstate.com.au, you can reflect the location of your search results on a map (see screenshot below). That way you can now see the location of each of the properties on the map and you will be able to narrow down those that are within the zoning you are interested in.



Block Frontage Width

The frontage width of a property is the length of the block that fronts the road. This has relevance for subdivision because it impacts on the street presence of the new block being created and it affects the capacity to provide multiple driveways to the newly created blocks. For this reason, most council town plans will specify a minimum block frontage width, e.g. 10m and blocks under that dimension may be more difficult to have approved for subdivision. Remember, these are only examples, and this is where you need to have researched the town plan in your chosen area/s as detailed in the previous module.

The method for determining a property's frontage width, and in fact the perimeter dimension for the whole block is from resources like RP Data or PDS Live where they provide a map of the property.

Alternatively, the mapping feature on RealEstate.com.au allows you to zoom in on the property and you can get a rough estimate using the scale on the map. Otherwise the real estate agent should be able to provide this information, as can the council town planning section. Certainly remember that all of the above methods, including you measuring the block frontage on the ground, are only estimates. A definitive measure can only be determined by a licensed surveyor actually surveying the boundary – but we will cover this more in the 'Due Diligence' module later in the program.

Slope

The slope of the property refers to the steepness of the site. A relatively flat site would be <5% slope, 5 – 15% is a moderate slope, and above 20% is generally classed as a steep slope for development. Slope clearly affects the ease of building on a block, the need for retaining walls, and it affects the water runoff from a site. If a sewer system exists, it affects the capacity for pipework to deliver sewer to the sewer main piping - remembering that poo does not run up hill!

For all of these reasons, council's planning scheme will typically state a maximum slope that is able to be subdivided, or the minimum land size that can be subdivided off with a given slope. Typically 10% is a standard and properties above 10% slope have restrictions regarding subdivision.

As alluded to above, the direction of the slope also has relevance as it affects the capacity for water and sewer to run off the block. If you are looking at a sloping block, you typically want the slope to be falling towards the road, as that is where the storm water and sewer pipes are generally located. Obviously it's also beneficial for water runoff to move away from a dwelling, not towards it. While the slope direction may not prevent you subdividing

a block, it certainly will impact on the ease, cost and timeframe to complete a subdivision, hence why it needs to be considered.

Slope is not a standard characteristic quoted for a property, and it is generally an estimate figure until the stage of getting an actual survey completed of the site. One method for estimating in the early stages though, is to read off the contours on a contour map of the area, which is sometimes available on the council website, or from the council planning front desk. Alternatively you can make an estimate on the ground, by measuring the amount of fall over a given distance of land. Landmarks like existing retaining walls can also give an indication and can be picked up from site photographs.

Services Location

The location of services, means the existence and location of the water main, sewer main, storm water main, plus electrical lines, phone lines, and gas main lines. The location of these services is relevant for subdivision because council will typically require any newly subdivided blocks to be able to be connected to these services, if they already exist in the area. For example, if the area is currently supplied with sewer, water, storm water, electrical, and phone services, council will typically require you to prove that the new blocks can be serviced by these existing services. In some instances you will be required to actually create the new connections as part of the subdivision process. Whereas in other instances, you may just need to provide evidence to council that the connections can be made, for example, by providing a letter from the power supplier or Telstra.

Clearly the location of the existing services has relevance, as it can significantly affect the cost of connecting to these services, the ease with which it can be done and the duration of time it would take. For example, a power pole at the front of your property can affect the configuration of your subdivision, and the positioning of driveways. A sewer main running through your property can require an easement over it, and impact on the location of where you can build, plus the ease with which you can connect to services.

Alternatively, a sewer main located across the road can require you to have to pay for an under road bore to connect into it, as with a water main across the road. In the event of the sewer main ceasing a distance from the property, you may in fact be required by council to extend the main to reach the newly subdivided property – and this all comes at a cost to you.

All of these services are typically underground, apart from above ground power pole and transmission lines that are common in older established areas. Locating these underground services, is therefore, not easily done onsite on the ground. Instead you need to get access to the services maps for your property of interest. The most efficient method

is to register online with Dial-Before-You-Dig (DBYD) and request these maps. Although, depending on the council, they may or may not register their services with DBYD, and so accessing the council records directly is the other alternative. This can be done over the counter with the planning department, or through their GIS (Geographical Information Services) section. Because the various infrastructures may be owned by different organisations, you ultimately will need to know this, as you may need to access the services maps directly from them.

The main exception to what has been described above is where the property is rural and in fact, is not serviced by the utilities described above, but instead has water tanks, septic and even maybe solar power rather than electricity. In this instance, council may not require you to have to connect to their services, but rather supply your own when doing a subdivision.

Position of the Existing Dwelling and Structures

When doing a subdivision when you intend to retain the existing dwelling or built structures on site, the location of those structures is significant. This is because they can affect the configuration of the subdivision, the positioning of driveways, and connection to services.

Awkwardly positioned structures can clearly make or break being able to do a subdivision. Obviously you can move structures like houses and sheds, depending on their type of construction, but this also comes at a cost to the project and needs to be accounted for.

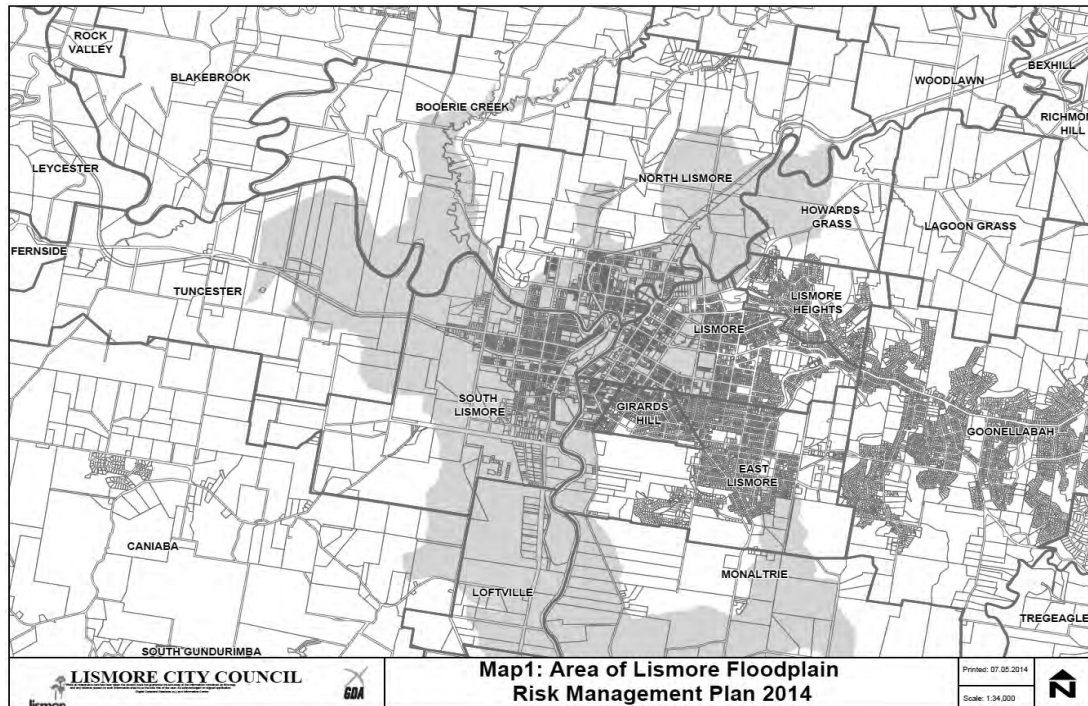
There are several ways to determine the position of structures remotely from your desktop, without actually having to measure on the ground.

On the internet, use the likes of Google Earth and even RealEstate.com.au mapping tools in 'map view' which shows built structures as an outline, or in 'satellite view' which shows it as an aerial photo. Ultimately though a site survey will be required to determine the exact position.

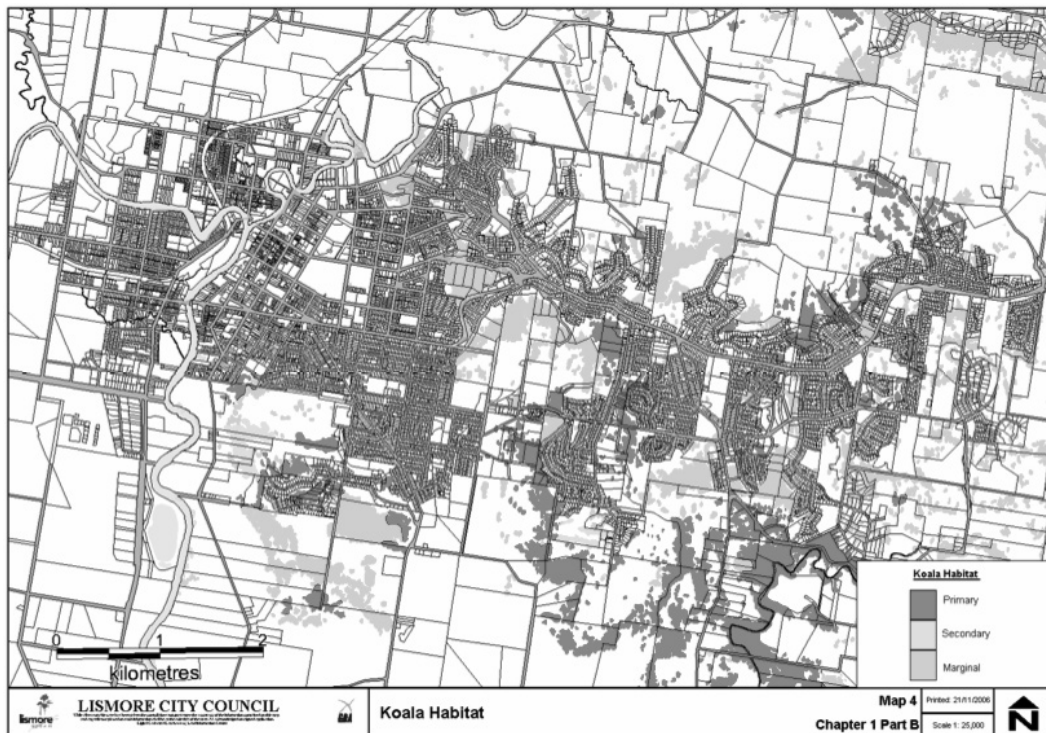
Environmental Constraints - Council Overlays

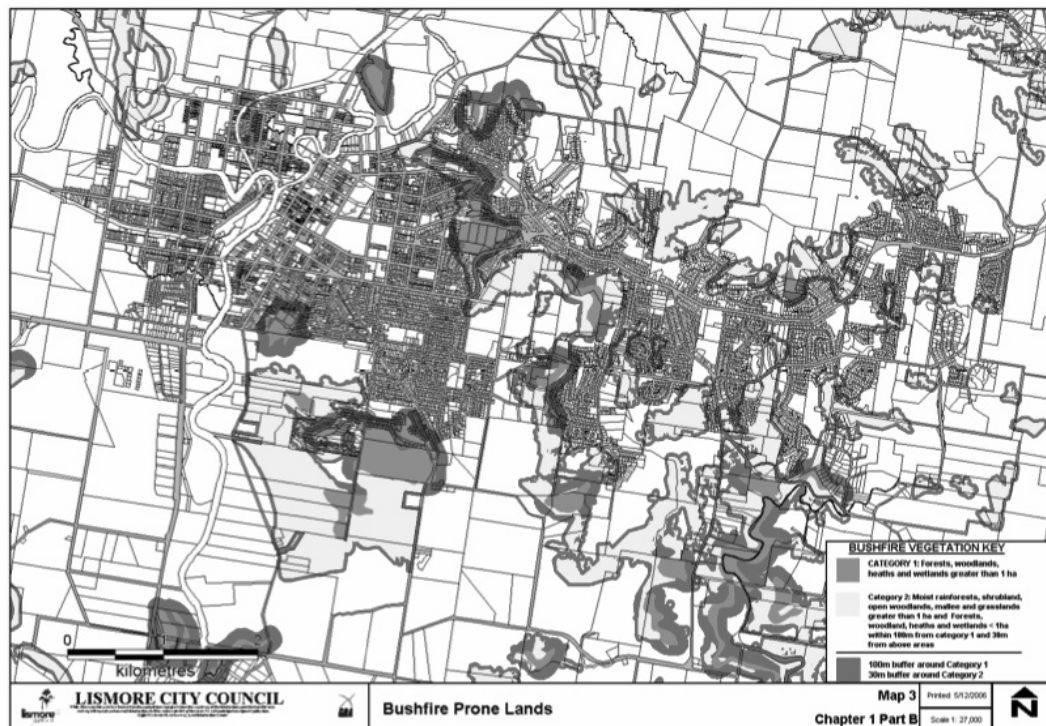
Most council planning schemes will have a range of constraint overlays that may impact on your property and affect its capacity to be subdivided. These are typically environmental parameters that have been mapped for the region, for example, flood, waterway, overland flow, native vegetation, bushfire, koala habitat, and slope overlays. There may also be other constraints including cultural heritage, building height, and road hierarchy overlays to name a few. A couple of screenshot examples below have been included so you can see what is being referred to.

Module 5 – Property Characteristics & Site-Specific Research



Understanding the importance of these constraint overlays on your strategy is critical. For example, in some councils if your property is flood affected you may not be able to subdivide it. This is because council does not want to increase the number of people and properties potentially exposed to flooding hazard. Alternatively, if your property is within a native vegetation protection zone, you may not be able to clear the native vegetation on your land, and this may restrict your capacity to subdivide.





It is important to remember though that the mapping conducted on a council wide basis may not in fact be accurate to your specific property and there is definite scope to negotiate with council on this front. For example, if your property is located in a native vegetation protection zone according to the council mapping, but in fact your property is completely clear of native vegetation, then this can be brought to council's attention.

Alternatively, if your property is on the boundary of a flood affected area according to the council flood overlay map, you may be able to demonstrate to council, via an engineering flood report or hydraulics study, that in fact your property is not flood affected. Obviously these extra reports and consultant advice will come at a cost to the project, and add time to the process.

As has been alluded to, these overlay maps are council specific and should be available on the council website, otherwise via an over-the-counter enquiry with the council town planning department, or with a private consultant town planner.

Capacity to Move the Existing Dwelling, Demolish It, or Demolish Part

Subdividing a property may only be achievable by moving the existing dwelling, completely demolishing it, or demolishing part of it. Your capacity to actually do this will be affected by several factors. Firstly, the construction style of the building will dictate if it is able to be moved. For example, a slab on ground property is unlikely to be able to be moved, whereas an elevated building is more suitable. The cost implications to move or

partly demolish may also be a limiting factor. The age and style of the building may also have an influence, particularly if the council has restrictions in place.

In Queensland, some councils will not allow you to move or demolish a dwelling built prior to 1945, as they are wanting to retain the streetscape appearance of the area. Council may also have a heritage overlay or demolition control overlay that prevents you demolishing any property within that designated area. Obviously, understanding these restrictions for your location is critical, because if the only way you can do a subdivision is to demolish the existing dwelling, but in fact you are in a demolition control zone, then clearly the subdivision may not be approved.

As with the environmental overlays described above, there are always exceptions. For example, if the property is in a very poor state of disrepair, you may be able to prove to council via a structural engineer's report, that the dwelling is unsound for habitation, and hence demolition is appropriate. Alternatively, you may be able to prove via historical photographs and other documentation that in fact the dwelling was built post 1945, or you may be able to prove via a heritage architect's report that the dwelling is not of cultural significant. These are not guaranteed outcomes though, and so you need to be fully aware of these factors, because they certainly could make a block unable to be subdivided. Again, council is the source of this information, or a private consultant town planner.

2 Lots on the One Title



Module 5 – Property Characteristics & Site-Specific Research

In some localities you may find properties where there are two or more lots of land but they are shown on the one title, which means they can only be sold together. There are several reasons why they may have come to exist. For example, a previous owner may have owned both blocks and to save on council rates, they chose to put them on the one title, where only one rates is now payable.

Alternatively, the owner may have built a house over the two lots (see below), or when the blocks were originally created, because of their small land size or frontage, they were grouped together. Maybe one of the blocks didn't have legal access rights, and so again they were put on the one title.

The quickest way to identify these blocks is online via an aerial map or a street map view of the area, e.g. in Google Maps.



As you zoom in, the property boundary outlines should be shown and also the street numbers. From there you can see if a house has been built over two lots (see opposite) or if the street number appears to sit over two lots.



Regardless of the reason how they may have come about, in most cases these types of properties remain as two approved blocks of land and you can apply to the titles office to have the existing title lifted, and two new titles created, effectively allowing you to now sell the two lots separately.

This process is not strictly a subdivision but may be more appropriately referred to as a title lift.

The treatment of these types of properties is again council specific, but often, because the lots already exist, council does not need to reapprove them, and it is more a titles department process.

Clearly this is much more streamlined than a full subdivision approval process that requires council approval plus titling.

Understanding these opportunities in your area and the council's treatment of them is clearly beneficial to you, as a title lift can cost significantly less, and be done much quicker than a full subdivision. This information will be able to be sourced directly from council or via a private consultant town planner.

Boundary Reconfiguration

Another variation on a true subdivision is a boundary reconfiguration or boundary realignment. This is where two or more lots already exist on one or multiple titles, and there is a benefit to reconfiguring the alignment or the orientation of the boundary/s of the lots.

A common example of this is where a house is built over two lots, and you want to retain the house on one title, but free up the other lot so it can be put on a separate title. In this instance, you will need to alter the alignment of the lot boundaries so they no longer cut through the house (see example – the blue line on the second image is the potential realignment line to create a vacant lot off Warraba Ave).

Because the newly realigned lots still have to comply with the council planning regulations, a boundary reconfiguration typically requires council approval.

From a process, cost and timeframe perspective, a boundary reconfiguration, is in between a title lift and full subdivision and therefore, is an opportunity you need to understand for your area.



Module 5 – Property Characteristics & Site-Specific Research



Subdivision is a great starter project. It teaches you the council application process, project management, consultant coordination and may or may not include a renovation.

However, the biggest reason for preference for subdivisions, particularly small splitters, is that they give you the biggest BANG for your BUCK!

A comparatively small subdivision cost outlay gives you almost a free block of land.

For this reason, regardless of whether you are intending to do a subdivision as your next deal or not, it is important to consider the characteristics required for a successful subdivision (keep it small – not a 20 acre land lot) in your target area and list these characteristics in the space below. Remember, there will be location specific characteristics that will apply to some councils and sites that will not apply to others.

Notes

[illegible]



PLATINUM ACCELERATOR

Development Approval

eg. Multi units

The strategy of development is where council approval is obtained to change the use of the property, typically taking it to a higher use, or more intensive use. It might be to change it from a single dwelling house into a multi unit or townhouse site, or from a vacant block to an industrial shed complex, commercial offices, or a retirement village just to name a few. Because this approval process alone typically increases the market value of a property, and therefore is a manufactured growth strategy on its own, this will be dealt with separate to the construction phase, which will be covered next as a separate strategy.

As with subdivision, each council will have their own requirements that need to be complied with in order to obtain a development approval. These requirements will therefore drive the site-specific characteristics that you are looking for in a property, and which will be covered in more detail below.

Zoning

The most critical characteristic of a site for a development strategy is its zoning. This is because the type of development you are proposing needs to be an approved land use in the zone you are looking in. So let's look at a few examples. If you are looking to do a multi unit development of say, three or more dwellings, council may only allow this higher density to be approved in medium density or high density zonings. Therefore,

when assessing properties for this strategy, the first criterion is that the property must be located in one of these zones.

There is no point looking to do a multi unit development in an area zoned for low density residential. Similarly, if your strategy is to get development approval for industrial sheds, you need to be targeting industrial or commercial zoned areas. Remember that the names of the zones will differ between councils so you need to do your research. The method for determining the zoning of a property was covered in detail under the subdivision section, so won't be covered again here.

As you can see in this inserted picture, it's a good idea to look for areas where medium density already exists. It is easier to sell units in an area where there are existing units. The insert is a good example of this as there are units all around this highlighted property and it is clearly in a medium density zoning.



Land Size

The size of the block of land is the next most critical characteristic of a property when doing development. This is because council will have a formula based on land size to calculate the number of dwellings, or the size of the industrial shed complex that can be developed on a site. In some councils the formula might be based on a dwelling unit basis, where for example, a 2 bedroom unit requires the equivalent of 200m², whereas a 3 bedroom unit requires 300m². Therefore, on an 800m² block, you could potentially develop 4 x two bedroom units, or 2 x three bedroom units, or 2 x two bedroom plus 1 x three bedroom unit. An alternative calculation method used by councils is based on 'gross floor area' (GFA).

For example, the council may specify that you can develop 50% of the equivalent ground area. Hence, on an 800m² block, you can develop 400m² of 'gross floor area', and that may be made up of any configuration of units, e.g. all one bedroom, or a combination of one, two and three bedroom units, just as long as the total build floor area isn't greater than 400m².

Refer to the subdivision section above under land size, for a detailed outline of the method for determining a property's land size, and searching for property on this basis.

Block Frontage Width

The frontage width of a block, if too narrow, may prevent it being able to be developed. This is something that may be able to be negotiated with council if you do not comply, but it is certainly something you need to be aware of when searching for property. Again the method for determining the frontage width is detailed above in the subdivision section.

Slope, Services Location, Environmental Constraints

Council overlay restrictions, and capacity to move / demolish an existing dwelling

All of these property characteristics are equally as relevant to a development strategy as they are to the subdivision strategy described above, and so they will not be covered again in detail here. The important thing to be aware of though, is that these characteristics may affect the number of units able to be developed, or the size of the industrial development.

For example, a sewer main that cuts through your site may have to have an easement put over it, preventing you from being able to build over it, and hence affecting the layout of your development, and ultimately the number of units or the size of the industrial sheds you are able to get approved. Similarly, a demolition control area may require you to retain the existing dwelling, hence leaving less area able to be developed.

Site Cover of the Existing Dwelling/s if You Intend to Retain

Retaining an existing dwelling on site may have a significant effect on the potential to further develop the site. There are four main factors affected, which will be detailed below separately.

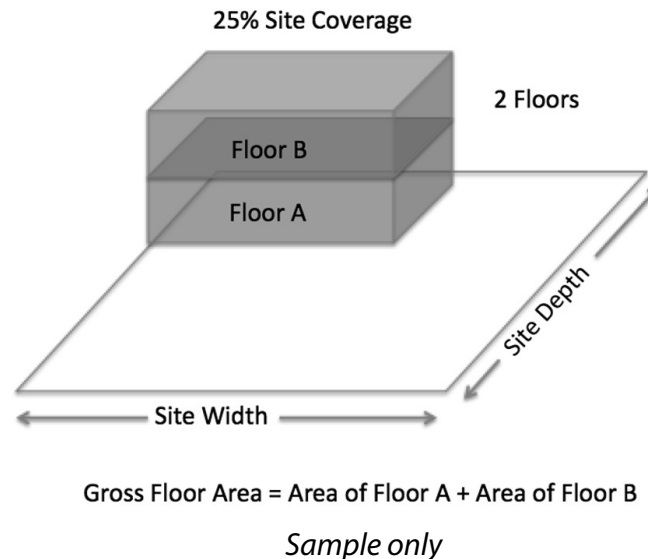
The first factor is the effect of the existing dwelling on the remaining land area available to be developed. 'Site cover' is the term I'm referring to here, which is a measure of the percentage of the land able to be built on, and is a key criteria every council will specify in their planning scheme.

For example, council may have a 50% site cover requirement in medium density zones for multi unit development, in which case on an 800m² block, you can only build over a total of 400m² of the site.

This becomes especially relevant where you intend to retain an existing dwelling on the site, because clearly it is already covering a certain amount of land area, and you need to factor this into your calculation of the land area left that is able to be developed. For example, retaining the existing house that covers 200m², will only leave 200m² available land area to be developed, and this will affect the number of units able to be added, and their configuration.

The second factor is the gross floor area of the dwelling being retained, which for a two-storey dwelling is the total floor area of both levels combined. This is relevant in those councils that use 'gross floor area' in their calculation of the unit density able to be developed.

For example, retaining an existing two-storey house with a gross floor area of 300m², on a site where you can only develop a total of 400m², means you can only develop another 100m² gross floor area, which may equate to say 2 x one bedroom units, or 1 x three bedroom unit. Either way it has a big impact on your capacity to develop.



The third factor is the number of bedrooms in the existing dwelling, because as described above, some councils base their density calculation on bedroom number, and so retaining a 4 bedroom house verses a 2 bedroom house will affect the number of additional units able to be developed.

The fourth factor is the position of the existing dwelling on the site, and how it affects the capacity to physically fit an additional development, and also how it affects that capacity to provide driveway access to council's requirement. This is important because council's requirement for a driveway accessing a single house can be very different from a driveway accessing multi units.

The final aspect to cover here is how you assess in the early stages of your research of a property, the site cover, gross floor area, and location of a dwelling you may be considering retaining. The way to do this remotely and as part of your desktop review, even before you have stepped foot on the property, is to use an aerial photo mapping tool like Google Earth, or the mapping tool on RealEstate.com.au or Investar.

By zooming in on the property you will be able to see the roof area of the dwelling you are considering retaining, and you will be able to use the scale tool to estimate the dimensions, and from there calculate the parameters above. Yes, this is a very rough method, but it will give you a general guide. Ultimately, a site survey will be required to confirm these measures before lodging with council.

If you are considering a multiple dwelling as your next deal, again, it is advisable to start small. Maybe do a duplex or possibly a triplex. Whilst bigger numbers of units MAY produce bigger profits they also can produce bigger losses and you need bigger pockets to carry them.

List below the characteristics of a property that would be suitable for a multi unit development, regardless of whether it is to take all the way to completion or to sell off at DA stage.

Notes

[illegible]



PLATINUM ACCELERATOR

Construction

Whether your strategy is to construct a single house, multi units, or an industrial complex, the process of construction should increase the value of the property, hence why it's classed as a manufactured growth strategy on its own. The specific property characteristics that are required to undertake construction are very much dictated by what it is you intend to construct.

If you are constructing based on a development approval, then the relevant site characteristics have already been detailed in the development section above. Whereas when you are constructing without the need of a development approval, for example a single dwelling or even a dual occupancy dwelling, the council will still have requirements that you need to comply with, and you will need to comply with the Building Code of Australia, based on the class of building you are constructing.

A building designer will know these requirements from a design perspective, and a building certifier will be the person that confirms compliance during construction. The terms used to describe these people and the process may vary between councils and States, but it gives you the general idea. The type of criteria and requirements may include such things as building setbacks, garaging, building height, site cover, etc. Also you need to be aware of any covenants that may exist on the title, as they may dictate what can be built on the site. This is particularly the case in new developments, where the covenants can dictate the size and look of the building, even down to the colour of the roof. Knowing these council and building code requirements will assist you in researching properties of interest.

Notes

[illegible]



PLATINUM ACCELERATOR

Strata Titling Existing Building/s

Strata titling an existing building is the process of dividing it up into smaller areas and creating legal title to each, allowing them to be individually owned and sold. For example, a block of six units all on the one title, and therefore owned by the one owner, could potentially be strata titled and divided into the six individual units, each with individual title, and they could be owned by different people. An alternative example might be six freestanding units that the current owner has chosen to retain on the one title, usually to save on holding costs. Strata titling in this situation would involve separating the six units onto six separate titles.

Either way, the principles of strata titling apply equally to residential property like units, as it does to strata titling industrial sheds, offices and commercial buildings, and retail shop space to name a few. Because the buildings already exist, and are assumed to be council approved, the requirements that need to be complied with for strata titling are more dictated by the Building Code of Australia, although council will also have requirements. For this reason it can be a bit confusing as to whether it is council, a building certifier, or surveyor, that assesses the property's compliance with the requirements. In some locations it is just one, and in other areas it involves all three and so you need to research this for your chosen area.

Despite who will do the compliance assessment, the requirements for strata titling need to drive the site-specific characteristics that you are looking for in a property, and so these will be covered in more detail next. Before we get onto them, let's cover some of the ways you may search for a residential strata titling deal.

Search terms

Searching for a strata title deal generally comes down to the search terms you use and the way you describe the property. Whether these are terms used in your internet search or the terms you use to talk with an agent, the process is the same. Searching based on 'unit blocks' is the obvious place to start, and this will generally unearth blocks of units not yet strata titled.

The next method is to search based on number of bedrooms, because sometimes a property may be listed as 8 bedrooms, implying that it is an eight bedroom house, when in fact it is 4 x two bedroom units on the one title. Similarly, another method is to search by number of bathrooms. For example, a property listed as 6 bathrooms may actually be 6 x one bedroom units.

Remember, not every agent is savvy on technology and listing on the internet, and not everyone has sufficient attention to detail, so these errors in description may in fact unearth a potential gem deal and one that has been overlooked by others. Now that you have located some potential unit block deals, below are a range of site specific criteria that need to be considered for strata titling.

Fire Separation Between Units

When strata titling between units, or townhouses, or apartments, there will need to be fire separation between the units. What is meant by fire separation, is that the walls, floors and ceilings between adjoining units must be constructed using material that complies with the Building Code of Australia, so that a fire in one unit does not easily spread to an adjoining unit. The unit may in fact have been built to comply with this standard when initially constructed, or it may not have, depending on its age.

Obviously where it is already constructed to comply with fire separation then an inspection from a certifier may be all that is required. If in contrast the property was never built to comply with fire regulations, then you will have to do remedial works to bring the property up to standard. This is definitely able to be done and there are a range of products available to assist with the process. The question though is whether it is cost effective for this deal. Definitely if you throw enough money at something you can make it compliant, but you may over capitalise and lose money in the process. So understanding the characteristics you are looking for is critical.

For example, let's take the walls, and here I am referring to the walls adjoining and separating each unit (commonly called the 'party walls'), not the walls internal to the unit. If the party walls are constructed of brick (see photo below) or block work, then this is the most compliant material, and the main aspect to confirm is whether the walls adjoin each

unit, run right the way through the ceiling to the underside of the roofing material, hence achieving full separation from floor to roof. Sometimes the walls stop at the ceiling and there is a gap in the roof cavity, and work needs to be done to achieve the full height separation.



Alternatively, if the walls are made of lightweight material, for example timber frame and wall sheeting (see next photo), there may be the need to upgrade this material to achieve the necessary fire rating. Accessing the roof cavity and looking down onto the walls will assist with determining the construction material and if it is fire compliant.



The other aspect with the party walls is whether electrical cables or water pipes penetrate the walls, because if so, there is the potential for fire to spread along these lines and preventative materials like fire collars may need to be installed. So from this description, you can see that being aware of the dividing wall material and construction method is vital when considering strata titling. It is not hard to ascertain though and a lot can be gleaned just from photos, although an actual site inspection will be essential to confirm.

Now we need to consider the flooring material from a fire separation perspective. The flooring material is especially relevant where you have one unit above another unit, or a unit above a carpark or garage that does not belong to that unit. The reason for this is because there is the capacity for fire to spread through the floor and affect occupants of other units. In contrast, the flooring material within your own unit, that separates different levels of your own space or garage/carport, does not need to achieve the same level of fire separation. So what you are looking for here is dividing floors constructed of suspended concrete slab, as this is highly fire resistant.

In contrast, timber floors will typically not achieve the necessary fire rating, and can also be quite expensive to fire rate and may make the deal unviable. There definitely are new products always coming on the market that can be retrofitted to achieve the necessary fire rating, although they come at a cost. Again, photographs can often reveal the type of flooring material, as can pulling up a small corner of the floor covering when it's carpet or vinyl. Looking up at the underside of the floor from the garage or carpark below, can also give you an indication of the material type. Again, any sign of services running through the floors to other units, should flag the need for further investigations.

The roof construction can be another indicator of whether further fire separation works may be required. In particular, if the building has a very flat roof or an older skillion roof, it may in fact have no roof or ceiling cavity at all. If this is the case, often you will find that the services like electricity are not running through the ceiling between units, because it doesn't exist, and instead the wiring may run through the walls between units, again flagging the need for rectification works.

Whether it's the floors, walls, roofing or penetrating services, ultimately an inspection will need to be conducted by a building certifier to guide you on what works may be required to achieve the necessary fire separation for strata titling.

Position of Existing Stairs, Window Openings and Car Parking

Additional features of the existing building that may impact on its capacity to be strata titled, or the amount of rectification works required, include the position of the existing stairs, window openings and carparks.

Again, these all relate back to the spread of fire, and the positioning of these items to ensure that fire cannot be easily spread from say, one unit window to the next unit, or that the fire in one unit does not hinder access to the communal stairs, and prevent emergency exit from neighbouring units.

Similarly, it is required that a fire in a garage, carport or carpark of one unit does not damage an adjoining unit or property, or indeed prevent emergency access to and from adjoining units. Whether the property complies with the necessary requirements may be less easily identified to the untrained eye, but certainly being aware of them is valuable to at least inform future investigations.

Existence of Separately Metered Services

A common council requirement needing to be complied with when strata titling, is the provision of separately metered services. This is definitely the case with electricity and all councils will require each unit to have their own power meter or sub-meter, if they are to be separately strata titled. Water is less cut and dried though and some councils will allow units to share common water meters, whereas others will require them each to be individually metered. Similarly with gas, some areas will require it to be separately metered.

Where the units are not currently separately metered there may be the need to undertake these works as part of the strata titling process. Identifying if the units are separately metered or not, for power, water and gas, is generally not that difficult, as there will be meters on site for each of these services and you just need to identify what units they are servicing. Obviously the services of a plumber, electrician and gas fitter, may be required to confirm the situation, depending on the complexity of the setup.

Capacity to Reconfigure Units and Add Bedrooms, or Split Units into Smaller Units

When looking at potential strata titled deals, you also want to focus on the configuration of the units, and whether additional bedrooms can be added, or whether larger units could be split into smaller units. Making these types of alterations, may trigger the need for council approval, as they may be considered substantial alternations to the existing unit, and may necessitate additional car parking, additional private open space area, and the list goes on.

For this reason, understanding these impacts early on will inform your future decisions, and the property characteristics to target.

For example, if your council uses 'gross floor area' as their method for determining unit density, then adding a bedroom into the same unit floor area, may not trigger the need for council approval. Whereas in another council that bases its unit density calculation on number of bedrooms, then clearly adding a bedroom could trigger the need for council approval.

Vacant Land to Further Develop

The final site-specific characteristic to be discussed, is the presence of vacant land adjacent to the unit block. This land creates a potential opportunity to add additional units, or to subdivide it off to create another property.

Either way, understanding the council requirements for developing multi units and for subdivision, will guide you in this process, as discussed in the previous sections of this module.



Strata titling is another easy strategy to start with as your first project.

Strata titling is: -

- ✓ Cost effective
- ✓ Income producing (rent) while you change the titling
- ✓ A clean strategy
- ✓ Relatively easy to do if you pick the right property

Make a list of the key characteristics you are looking for in a great strata title deal.

[illegible]

Notes

[illegible]



PLATINUM ACCELERATOR

Under-Market Purchasing

Purchasing a property under market value is a definite manufactured growth strategy, because immediately on purchase, the property is worth more, and you now have a built in amount of equity in the deal. There are numerous reasons why a property may be sold under market value and understanding these can assist you in locating a property of this nature.

Non-Local Real Estate Agent

When a property is being marketed by a real estate agent that is not local to the area, there is the possibility that they do not fully understand the market, or the market may be moving quickly in price and they are not keeping up to speed with it. Being aware of this and targeting properties being sold by agents remote to the area is a definite strategy.

Incorrectly Advertised

There are instances where a property is incorrectly advertised and even the real estate agent has not picked it up. For example, it may be advertised with fewer bedrooms or bathrooms than actually exist, or it may be listed as a smaller land size than it really is. Maybe there are additional land titles not listed, or there may be additional features just not acknowledged – like a granny flat onsite, even sometimes the address can be wrong.

Clearly all of these have the potential to increase the value of the property, and so you need to check this detail and compare the advertising with what is actually onsite when you inspect. You should even do your own research to double check the land size and titles etc.

Development Potential Not Acknowledged

Properties do come on the market that have development potential, but are not being promoted as such and in fact, the owner and real estate agent may be completely unaware of the potential.

In this instance, understanding the town planning scheme and the characteristics we have discussed earlier in this module become paramount to capitalise on these opportunities. Maybe the agent doesn't realise the property zoning and its potential, or may not know that the land size will allow it to be further developed or subdivided. Maybe it has been advertised as a smaller land size than it really is, and in reality it can be further developed.

Maybe the agent hasn't recognised that firewalls exist between the units, therefore making it a potentially straightforward strata title deal. Maybe the town plan has recently changed and the agent just isn't up to speed with the changes and the implications. Alternatively, you may know of zoning changes that are imminent, and may favourably impact on this property.

Motivated Seller

The most common reason why a property may be sold under market value is because the seller is motivated and just wants the property sold and the price reflects that. This may be because of divorce, or because the property is part of a deceased estate and the benefactors want their money sooner, rather than later, or alternatively, it may just be a problem property for the owner.

Maybe they have had tenant problems and just don't want the problem and therefore the property gone, or maybe there are maintenance issues or termite damage. The list goes on and on. Mortgagee sales or bankruptcy sales are other examples. Often these terms will be listed in the advertising of the property and this is an opportunity for you to spot potential deals.

Terms to look for include desperate seller, motivated seller, under market value, termite damage, deceased estate, divorce, make an offer, mortgagee sale, bankrupt, just to list a few. The program Investar is brilliant for searching based on these terms and has a keyword search filter that allows you to select these terms in the search for properties (see screenshot opposite).

PLATINUM ACCELERATOR

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[illegible]



PLATINUM ACCELERATOR

House Relocation

The strategy of relocating a house and moving it from one site to another has the potential to create an increase in the value of the completed property. The success of this strategy and its profitability is hugely influenced by the characteristics of the house being relocated and the characteristics of the destination site and so an understanding of these is essential. Before covering these aspects though, let's touch on the various sources of houses to relocate, because this too affects the process.

Houses may either be sourced specifically for the purpose of relocation and purchased from a house removal specialist company, or they may be an artefact of another deal. In this first instance, the relocatable house is being sold by a removal company, and the houses have generally been selected based on their properties for relocation, e.g. minimal asbestos (or asbestos has already been removed), house is not heritage protected, house is of a size and design that is able to be moved economically etc.

The alternative is where the house is part of another deal you are doing, or is being sourced directly from the owner. In this instance, all of the property and location characteristics detailed below are relevant, as a house removal company hasn't already done some of the work for you. Either way, understanding these characteristics is essential.

Characteristics of the House Being Relocated

Demolition Control/Heritage

When assessing the suitability of a house for relocation, it is essential to ensure that it is not in a demolition control precinct, or a heritage control precinct, or in fact that the house itself is not heritage listed. Each council may have a different definition for what qualifies as demolition control or heritage, and often it will relate to the age of the property.

Some councils will have actually identified individual houses, whereas others will work more on a street and suburb basis. In some instances you may be able to negotiate with council regarding the particular house, especially if you can prove that it in fact does not have heritage significance, or is not a good example of a house of that era, maybe because of the alterations already done on the property in the past.

Some councils may also restrict the distance the house can be moved and may allow it to be relocated, but state that it must stay in the same suburb or in the same council zoning. A council town planner or consultant town planner will be able to advise on these requirements.



Construction of the House

For a house to be able to be relocated it needs to have been built off the ground and be elevated either by posts or piers or the like. There needs to be room to be able to access the under floor area, even if it is only a 300mm gap. This is sufficient for a house removalist to access and be able to raise the house up further for them to install the

necessary machinery underneath. A house that has been built directly on the ground on a slab, is not suitable for relocation, or at least is not an economical relocation process. Of course, if you throw enough money at something, anything is possible, but that certainly doesn't make it viable, and we are only interested in profitable deals. So definitely avoid slab on ground homes for relocation. Even if you haven't visited the house yet, photographs will reveal the build style.

The second factor is the flooring material. Avoid an elevated home with suspended slab flooring. Not that this would be very common, but it's worth mentioning just in case. The preference is a timber-based floor as it can tolerate movement to some extent.

Size of the House – Single or Double Shift

The size of the house is very important when considering relocating it, as it dictates whether the house can be moved in one piece, otherwise referred to as a 'single shift', or whether it needs to be cut and relocated in two or more pieces, called a 'double shift'. It is typically the width of the house that will dictate whether it is a single or double shift, because there is a maximum width that can be transported on the back of a truck, even with police escort.

If the house is wider than this width, it will typically need to be cut in half to ensure it complies with the police and transport departments' regulations. Because these regulations can change between States, it's best to do your research up front and call a couple of house removalists in your general area to find this out, prior to inspecting a potential house for relocation. Clearly a house that needs to be cut in half will be twice the amount of work for the house removalist and this is reflected in the cost to do the job. Also, the renovation work required post relocation will be substantially more as the floor, wall, and ceiling joins need to be attended to and generally the services have been cut and need to be reconnected. The services will be covered in more detail though in a separate section below.

It is also worth remembering that while a house may be of a size to comply with a single shift, and therefore be a cheaper alternative in the move phase, this will mean that you end up with a smaller sized house at the other end. This needs to be considered in terms of the target market for the completed product, and you need to factor in whether you in fact need to do an extension to the house, or raise it up higher and build in underneath, both of which options will substantially add to the cost. These are definitely not essential, but just something you need to be mindful of, as it significantly affects the cost of the project.

Age of House and Services

The age of the house will affect whether it complies with the current building code, or whether works will be required to bring it up to code. For example, it is common for older Queenslander-style houses to have been built without the roof being tied to the walls, and without the walls being tied to the floors. Once the house is relocated though, these connections need to be achieved and works need to be undertaken to ensure this. The house will also need to comply with the current energy efficiency requirements which will affect the lighting, plumbing and insulation to name a few, and you may even need to bring the glazing up to code. A building certifier is the likely person that will need to inspect these works, and so it is worth phoning a couple in advance to determine the requirements you will need to meet.

The age of the electrical and plumbing services is also very important, keeping in mind that these services may have been upgraded in the recent past. They are important because they need to be cut when disconnecting the house from the mains lines, and also if the house is a double shift, they will get cut when separating the house. If these services are old, particularly the wiring, an electrician cannot legally reconnect the wiring and you may be up for a complete rewire of the house. Similarly with plumbing, if the piping is very old, you may be faced with a complete re-plumb of the house, all of which come at a cost to the project. An inspection by a licensed electrician and plumber will confirm these details for you.

Asbestos

The presence of asbestos is a major factor that needs to be determined, as it can be a significant cost to the project, but also in some councils, it may even affect if a house can be relocated into that shire. This is because some councils will not allow a house with asbestos to be transported into the shire. Asbestos can be found in the roofing material, soffit material, bathroom and wall linings, even in the pipework and should be assessed by a licensed asbestos contractor before it is tampered with.

House Cost

The cost of a relocatable house can sometimes be a trap for the novice, particularly when the house is being given away for FREE, or if the house isn't costing you anything because it's an artefact of another deal. While you would think that this was a huge advantage, do not go into the deal for this reason alone. This is because, even with the house itself not costing you anything, certainly the cost of the relocation process and the renovation and site preparation at the other end can mean that even a FREE house may not be a profitable deal.

There is a lot of misinformation out there about what homes can be relocated and how they are relocated. Much of this is due to the regulations in the United States being far more lenient than in Australia. As an example, the two houses below show the difference between what is acceptable in Australia versus what is acceptable in the US.



Australia

America

Characteristics of the Destination Site

Distance From Where the House is Currently Located

The distance the house is to travel to its final destination is clearly a factor that needs to be considered because of its cost implications. In saying that though, most house removal companies will have a flat fee up to 100km distance. So whether you are taking the house to the end of the street, or 100km away, the price could be very similar, because most of the work is in getting the house prepared and onto the back of the truck. If you are planning to travel hundreds of kilometres though, accommodation cost may also be incurred, particularly if the house can only be moved during night time hours, which is often the case for larger loads.

Land Covenants and Council's Acceptance of Relocatable Homes in That Area

Before securing a site to relocate a house onto, it is essential that there are no covenants on the land that may prevent this. This is particularly relevant to land in newer estates, or even older more prestigious estates. The developers of these land subdivisions, commonly put covenants on the land to maintain a certain level of quality in the houses being constructed. It is common for relocatable homes to be completely prohibited in these areas.

A search of the title should disclose any such covenants. Similarly, at a council level, some councils may restrict the style of house that can be moved into an area. For example, in some councils they are aiming to protect the streetscape appeal of certain areas and will require a particular style of home to be constructed or relocated, hence

not just anything can be moved in. Understanding this by questioning a council or consultant town planner is essential in your research phase.

Access to the destination block

Ensuring that you have sufficient access at the destination site is essential, given that the house will be arriving on the back of a truck, and the truck needs clear access to the site. Professional house removalists are very skillful at maneuvering large loads and can, in some instances, lift the load or tilt the load to lift over fences, shrubs and the like. However, the more difficult the access, clearly the more expensive the move will be. Remember though, house removalists are not miracle workers and some sites just clearly cannot be accessed.

This is particularly the case where you are trying to relocate a house behind an existing house and the side access is very limited. This is certainly a question that has been asked in the past, but unless a house has been specifically built to be craned in, and to be picked up from a central crane point, then craning in a house is generally not an option for a standard house, as they have not been designed and engineered to be suspended in the air! A conversation with the house removal companies will guide you on their specific requirements for access.



Maximum Price Variance

A mistake commonly seen with house relocation as a manufactured growth strategy, is that because people might get the house for free or relatively cheaply, they default to looking at low cost land for the destination site. The problem with this is that the cost to move the house and renovate the house is generally set, but what varies is the value of the end product. So if you target cheap, low entry price land, there will generally be a ceiling on the end value and again it will be at the lower end. Instead, a better alternative is to search for land in areas where there is a large or maximum price variance between the low of the market and the mid of the market.

This was discussed in detail in the previous module, but the theory here is that if you are spending \$120k to relocate and renovate the house, you want to put it on a block of land where the end value is going to be the highest for your dollar spend. So instead of putting it on a \$180k block of land with a potential end value of \$350k, you would be better off putting it on a block costing \$250k but with a potential end value of \$450k. Obviously you need to stick to your budget, but certainly if you could afford a block between \$180k to \$250k, the \$250k option in this example would be the best, because there is a larger price variance between the low and the mid of the market in that area.

Also if your intention is to sell the end product, you want there to be volume in the market to be able to sell into. Again this was discussed in Module 2, but choosing cheaper land in a more regional area will not necessarily be the best strategy if you need to sell the end product, because in cheaper regional areas, population is smaller, there are less buyers in the market and the timeframe to sell may be longer, which may impact on the profitability of the deal.

Physical Land Characteristics and Location of Services

The physical characteristics of the destination land are very influential on the success of a house relocation deal, because of their impact on the cost of doing the deal. The type of characteristics referred to are things like land slope, because the steeper the block, the greater likelihood for retaining, storm water management, longer house posts etc., which all come at a cost. The soil type and geophysics of the area will affect the type of footings required for the posts and therefore the cost, e.g. a site affected by slip could cost you dearly in the footings.

Also, the position of services can be very influential, not just regarding the ease to connect into them, but also the ease with which you can negotiate around them. For example, overhead power lines can affect your capacity to access the site and although this may not be a deal breaker, it will come at a cost to have the lines raised. In contrast, a poorly positioned power pole may turn a profitable deal into an unviable one, because

these can be very expensive to move, particularly if it has a large transformer attached. The existence of manholes in the access pathway can also be problematic if trucks have to drive over them, because any damage caused will be at your cost to repair. Again this may not be a deal breaker but being aware of it is important.

Whilst this is a strategy you may not undertake as a first deal – or ever – list the characteristics you are looking for in a removal house and a removal house site.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

Notes

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PLATINUM ACCELERATOR

Renovation

The process of renovating a property is to do some level of improvement to enhance its condition, its presentability and its market value. The spinoff is that renovation is also likely to increase the rental rate potential and therefore the income from the property, and hence renovation is both a manufactured growth strategy and an income strategy.

There are three major categories of renovation, depending on the extent of the works undertaken.

- ✓ Cosmetic renovation
- ✓ Structural renovation
- ✓ Extensions

Cosmetic renovation

A cosmetic renovation is one where only the cosmetic, or the superficial features of the property are improved. Think of it as the surface finishes, fittings and fixtures. This includes the paintwork inside and out, the landscaping, the floor coverings, window coverings, doors and door handles, light fittings and fans, and making good general repairs. It includes tidying up, painting and even replacing the kitchen cupboard fronts to freshen them up, right through to actually replacing the kitchen and bathroom.

With a cosmetic renovation, however, the location of the plumbing and electrical generally wants to stay in the same place. This is because once you start moving these services including the toilet, shower, bath, vanity, kitchen sink and oven, it can start to become much more expensive. It also requires more specialist trade services, for demolishing or accessing parts of the built structure, like the plumbing and power in the

walls and under the floor. Typically a cosmetic renovation can be completed by yourself (although it doesn't have to be) and a couple of specialist tradies like a plumber and electrician and generally no building approval should be required, as you are not adding services like a bathroom, toilet or shower.



As a rule of thumb, a cosmetic renovation should cost you no more than 10% of the purchase price, in order to make it a profitable cosmetic renovation. You still need to do a feasibility on every project though because if the price variance in your area is low then even a **10%** renovation may be overcapitalising. This is particularly the case if you plan to sell on completion and you will therefore have purchase and sale costs as well as the renovation costs. Purchase and exit costs can generally be estimated at a total of **6%** this will be covered in more detail below when price variance analysis is discussed.

Structural Renovation

A structural renovation is where you are staying within the current footprint of the existing dwelling, however, you are removing or adding structural elements of the building. This includes removing or installing walls, replacing or changing the roofline, adding or removing windows and doors, adding or moving wet areas like bathrooms, laundry, or kitchen. Adding a deck would also come under a structural renovation. Because you are altering the structural integrity of the building, for example removing structural walls that are currently holding the roof up, building approval will be required.

Plans will also need to be drawn-up. A builder or engineer will be required to approve and inspect the works, as will a building certifier. The approval process differs between States and councils as does the terminology used, and so you will need to research what is required in your chosen area. As a general rule of thumb a structural renovation should cost you around **25 - 30%** of the purchase price. Again, this is not a hard and fast rule but a general guide, and for the same reasons as I explained above for cosmetic renovation.



Extension

The last category of renovation is an actual **extension** to the property. This includes extending the footprint of the dwelling outward. It also includes extending upwards, because for some blocks, the only option is to go up, or it may just be the most efficient. Converting a non-habitable area like a detached garage into a habitable area like a bedroom or games room would also be included in this category.



Clearly with this process, you are extending beyond the limits of the existing structure, and so this requires the highest level of building approval, trade people and builder involvement and a greater cost. In fact there is no benchmark on price for an extension, because it all depends on the size and the complexity of the works. It might be anywhere from \$20,000 for adding a bedroom up to hundreds of thousands of dollars.

Now that we have looked at the different types of renovation, let's cover the specific site characteristics that you need to be aware of when looking for a renovation deal.

Search Terms

Firstly let's look at how you might search for a renovation using various search terms. This has already been touched on in the previous module, but using search engines like Investar and RealEstate.com.au allow you to search by term. These terms might include renovation, renovator's delight, original condition, demolition or tradies welcome. Recognise though that there would also be a lot of properties that would benefit from a renovation that is not necessarily being advertised that way.

Another approach is to search by number of bedrooms. This is because searching for a low number of bedrooms, e.g. two, may give you scope to add another bedroom, and that would immediately lift it into another price point category. Similarly, taking a three bedroom dwelling and converting it into a four bedroom should increase its value. Searching for multiple living, family or dining rooms can also be beneficial. This is because a formal dining room, a formal lounge, a games room, or family room could

each be converted into a bedroom and depending on their size they could be converted into multiple bedrooms. Garage conversions can do the same, although in this instance you need to confirm that the building complies because a garage is typically built as a non-habitable room and the requirements differ from a habitable room like a bedroom. Ceiling height and the thickness of the slab, assuming it's a slab build, are both key factors to consider.

Searching based on the number of bathrooms can also be beneficial, because adding an ensuite to a single bathroom house or unit can often increase its value. What you want to make sure though is that the cost of adding the bathroom is less than the value it creates. For example, paying \$6,000 to add an ensuite in order to only increase the value by \$6,000 isn't necessarily a good deal from a value perspective. In fact it would only be worth doing it if it meant that the property would sell much more quickly, or it substantially increased the rental income and the rental appeal of the property.

Condition of the Property

The condition of the property clearly has a significant impact on the extent of renovation required. If your strategy is to do a cosmetic renovation, but in fact the property you are considering is in a very poor state of disrepair, then this may not be the right property for your strategy. Similarly, if you intend to do a structural renovation, when really the property is in such poor condition that it is more suited to demolition, then clearly this needs to be identified up front, not when you are halfway through the renovation.

The most ideal type of property for a cosmetic renovation is one that is built very solidly, has a good layout, but the fittings and finishes are just dated.

Maybe it still has the original finishes from when it was first built 30 years or so ago. Because the bathrooms and kitchen are the most expensive to renovate, a property that just requires superficial work in these areas will be more suitable for a cosmetic renovation.

Alternatively, a property that is more modern but is poorly presented and has just been neglected over the years is another good example.

If you can get something with poor street appeal, and that's either completely overgrown with vegetation, or is completely devoid of vegetation, then creating that WOW factor from the street is a great strategy. That's because landscaping, adding a front path, front fence and creating some interest at the front entry can be very cost effective and completely change the feel and look of a property.

The type of property that will suit or require a structural renovation is one that may be older and not originally built with the conveniences of modern living like an ensuite, for example.



That is not to say that a modern house cannot be suited to a structural renovation too though. Many houses old and new have been built with boxy rooms including a separate room for the kitchen, dining and lounge, and these rooms were often located towards the front of the house.

Modern day living, in contrast, is more aligned with open plan living and connection between the indoor living areas and outdoors.



These dwellings would suit a structural renovation, where walls are removed or repositioned to open up the kitchen, lounge and dining. These areas may be moved towards the rear of the dwelling and large doors installed to connect these open living areas to the rear yard areas. Often an outdoor deck or alfresco entertaining area is created. Clearly, the less walls you need to remove and the less movement of water and power services, the more cost effective will be the structural renovation.

It is important to consider the type of construction of the dwelling also. For example, older timber dwellings with painted timber windows, doors, and even timber cladded internal and external walls can be a higher cost to renovate. This is because the preparation of the timber is much more labour intensive and time consuming, particularly if you need to strip back the old paint first before repainting. In contrast, aluminium windows are much less work, as are exterior wall finishes like brick and block work, render and bagged finish, or concrete walls and weatherboard materials.

Timber dwellings that are raised off the ground, whether its 600mm or full high-set two storey height, also tend to experience movement over time. The stumps that they are sitting on can move, particularly in older dwellings. In fact the condition of the stumps is a very important consideration with this type of dwelling, because they do need to be straightened and even replaced from time to time, and this can be a costly process, particularly if you have not budgeted for it.

The movement can cause the timber windows and doors to jamb and not work smoothly. It can affect the slope of the floor and can cause gaps to form in the floors, walls and ceiling. Each of these are tell tail signs to look out for.



It is not all bad news with this style of house though. In fact there are some very significant benefits. The first being that because the house is raised off the ground, the plumbing and electrical services tend to run under the floor, making any work to the wet areas and kitchen an easier task, compared with a slab on-ground place where you may need to jackhammer up areas of the slab to access particularly the plumbing. Also, installing extra electrical fittings like power points, lights and TV points can be easier in a raised house because the cabling is more accessible.

Having the opportunity to inspect the integrity of the structure from underneath the house in these properties is also very beneficial. By looking up from underneath you can see the quality and integrity of the floor bearers and joists, the condition of the flooring and you can see any wet stains that may suggest current or historical moisture damage. The floors in this type of dwelling are also often timber, but then covered over with carpet or vinyl or even tiles. Stripping back these coverings and polishing the timber floors can create an immediate wow factor in this type of home.

Keep in mind also that a property with the wet areas and kitchen all in close proximity to each other can be less expensive to renovate and install. This is because the length of plumbing piping between them is less, as is the work to install them, particularly if it involves jackhammering the slab. Bathrooms and kitchens that abut an exterior wall can

also be easier to renovate and install, because the services, particularly the plumbing, may run out of the wall, therefore making it easier to access.

Age of the Property

The age of the property is going to give you a very good indication of the extent of renovation work required, and the older the property the more work that is likely to be needed, particularly if it's still in its original condition. The older it is, the older the services are likely to be, including the plumbing piping and connections, and the electrical cabling and fittings. Not only are you likely to have to replace the kitchen and bathroom and electrical fittings throughout, but you are also likely to have to upgrade the full electrical wiring and plumbing in the place too, and clearly this all comes at a cost.

The materials used are also likely to be less common and less available now, for example stone and mortar, VJ timber panelling, horse hair plastered walls and cornice, to name a few. Trying to match these materials or repair them may also be more expensive and may require specialist trades or craftsman, for example, a stonemason. Being aware of this and doing your research up front is important.



The dog property

Structurally sound but poorly presented property

A lot of first time renovators will jump at the dog property as they think a property has to be really bad in order to make money. In reality the truth is the reverse. In most cases it is the structurally sound property that is old and dated and poorly presented that offers the most potential upside.

Heritage and Demolition Control

In addition to the age of the property, another important characteristic when considering a renovation strategy, is whether the building is heritage listed, or in an area where the streetscape is being preserved by council, or is a demolition control area. In all

of these examples, council will restrict what you can do to the property through renovation and extension, and it is not necessarily just the front façade they are interested in.

Basically any works that have the potential to alter the overall look of the building will be assessed, even down to the colour palette you use to repaint. Understanding the requirements relative to the property and area you are looking in is critical. This is because complying with it could quickly blow out your budget and your timeframe. Council approval is likely to be required, even if it is a cosmetic renovation, which in any other area would not require council approval.

Signs of Concern

When looking at properties for potential renovation, you need to be very vigilant to look out for anything unexpected. Things like major cracks in the walls, floors and even ceilings. This can suggest potential movement in the foundations and structure of the dwelling and this can be very costly to rectify. This is not always the case though, and it may be rectified through a quick fix. Getting a qualified person like a builder or engineer to assess it is therefore highly recommended, as it could turn a profitable cosmetic renovation into a full blown structural renovation that eats up all your profit.

Another sign to look out for is a wet musty smell in a dwelling. Obviously this might just be because its been closed up for a while, but it may also be a sign of something more sinister, like rising damp, where moisture is moving in through the walls or floor. This can be an expensive thing to fix, because it's hard to track where water is moving in from. Alternatively it may be a sign of poor wet sealing in a bathroom or kitchen, and it could turn a superficial bathroom renovation into one that requires the full replacement of the bathroom. Excessive mould is also a tell tail sign of moisture issues.



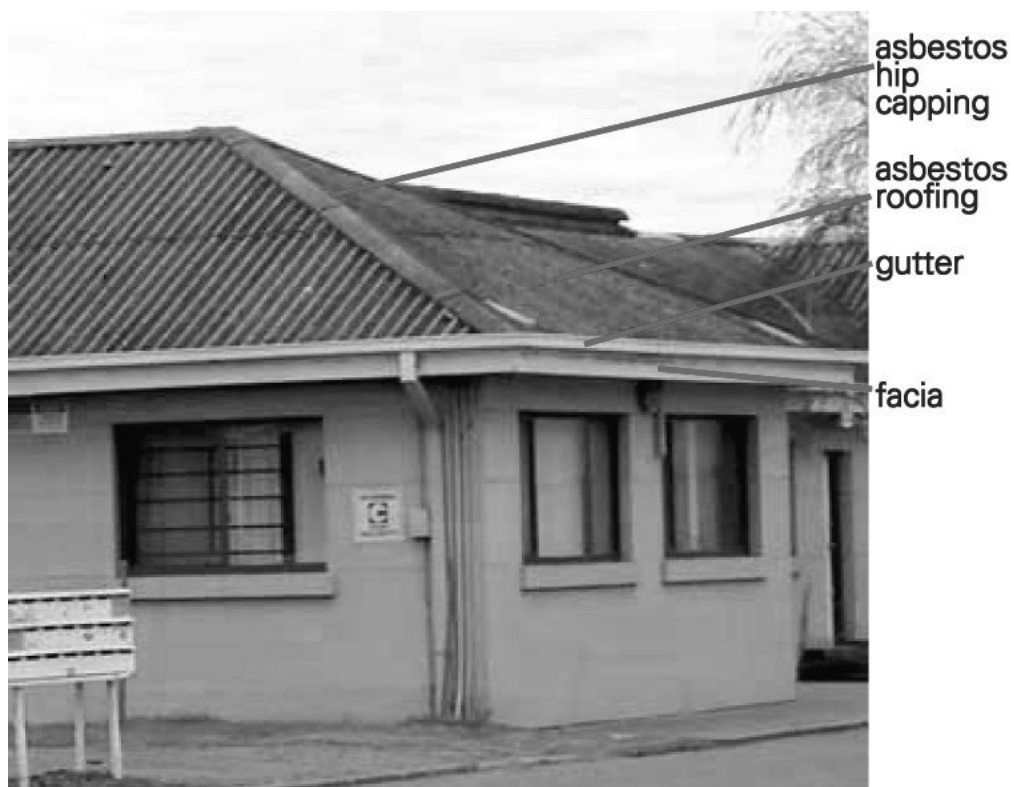
Termite damage

Termite damage can be your friend or your foe. Where the damage is fairly minor, limited in extent and superficial, this can be fairly easily fixed. Where the damage is much more extensive and affects the structural integrity of the dwelling, then clearly this can have a significant impact on your renovation budget. Understanding the extent of the damage up front is critical, because if found too late it could become a significant issue. Certainly, many people are uneducated about termite damage and how it can be repaired and therefore they are scared away by it. This creates a potential opportunity for those more educated and prepared to do their research up front like you. In fact, you can do a property search on Investar using the keywords 'termite damage'.

Asbestos

Asbestos is another one of those items that can scare people off a property. Educating yourself on what it looks like, where it is often found in a property, how it can be repaired or removed, and the likely costs is important if you are considering renovation as a strategy. Material containing asbestos is widespread in older dwellings because it was used so prevalently in the construction industry and in fact it was only fully banned for use in building materials in 2003! It can be found in the wall and ceiling sheeting, bathroom flooring, exterior cladding, sheeting and soffit, roof sheeting, tiles, glues, pipes, cement and even in fence material. Below are some classic photos of asbestos material. Asbestos needs to be managed by a professional, because of its adverse health impacts.

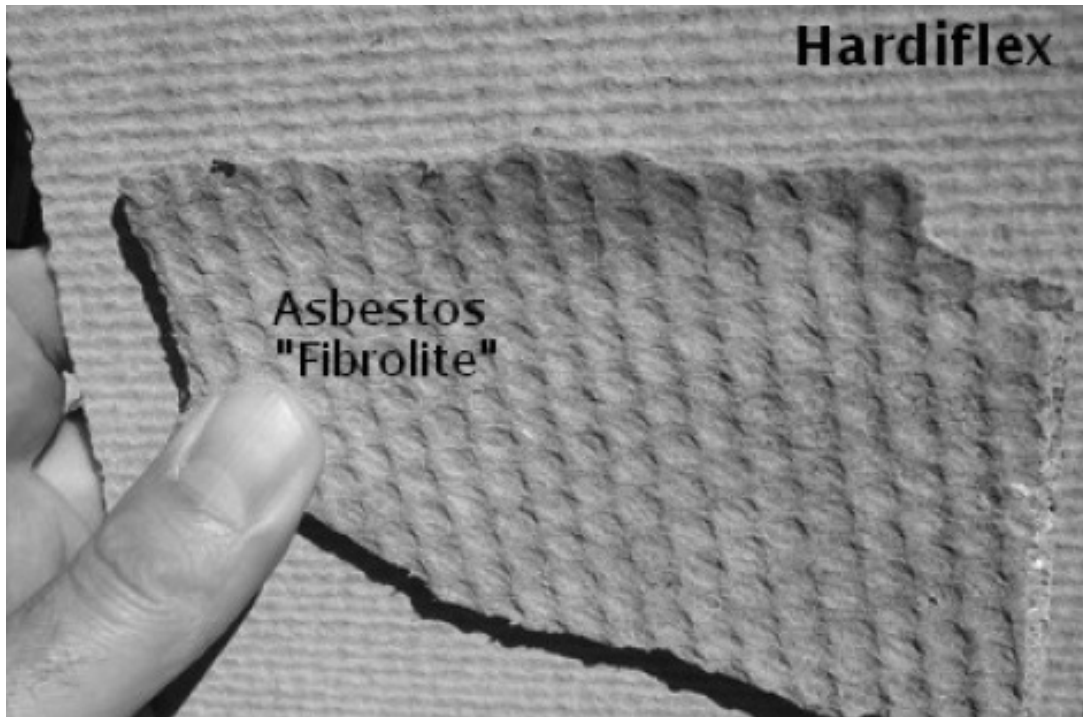
Understanding the regulations for handling and working around this material is imperative and you need to educate yourself before you start working around it. If left in place, undisturbed it can be inert. However, as soon as it is damaged, drilled into, broken, or even cleaned with a high pressure hose, this can cause particles to dislodge, become airborne and hazardous to not only you but the neighbours, and so it is something to be very aware of. The cost to remove it can be very high also, given the process that needs to be followed, and so having this costed early in your budget is imperative, because again it could turn a profitable deal sour.



Asbestos roofing



Asbestos fencing



This picture shows the difference between Asbestos Fibro sheeting and a similar Hardy's product which is not asbestos.

Grid Variance Analysis

Having covered a range of the building specific characteristics to be aware of when undertaking a renovation strategy, we now also need to look at the market specific characteristics. The most important for renovation is the price variance in the area. Remember from Module 4, we used 'grid variance analysis' to quantify the price variance of areas. We compared the difference in price between properties at the low end of the market compared to the mid of the market in each area. We want to target those areas with the greatest gap between these price ranges, and therefore the greatest uplift potential. This is because when you renovate you want to take the property from the low of the market and sell it at the mid of the market, and get the biggest bang for your renovation buck.

For example, if you had the choice of the same house in two suburbs both with the same low entry price of say \$300k, but one suburb had a mid price of \$400k, while the other had a mid price of \$480k. Clearly, the later suburb would give you the greater potential bang for your buck, and the greater price uplift potential. Remember though that while it is important to have some further upside in the market, you really don't want to position your end product to sell at the high of the market. This is because there are less buyers at that level and remember that you are always wanting to target the maximum volume in the market to sell into.

The cost of your renovation will also play a major factor here, because the more expensive your renovation, the greater the price variance needs to be in the area you propose to do the renovation in. For example, if you are planning to do an extension, and your cost is say \$100k, then by the time you have purchase costs, hold costs, sale costs, and you make a profit on the deal, you need to be buying it at a low of say \$500k and selling at the mid of the market of say \$750k.

If you were doing a cosmetic renovation on the same property for 10% of the purchase price at say \$50k, then you only need the suburb to have a mid range price of around \$650k for you still to make a profit. You can see from this example that if the suburb's mid-price was only \$650k, then you would be over capitalising to do an extension on the property, and a cosmetic renovation would probably be the limit for this area.

Under Market Value

Under market value buying is a valuable strategy when doing a renovation. This will not be covered again here because it was discussed in great detail previously. Your attention is drawn to it again though, as it can completely change the viability of doing a renovation, particularly if the area has a lower price variance than would normally be required. This is because you have essentially forced a greater variance by buying the property under market value. You have created your own upside, more than what naturally existed in the market.

What Does the Market Want

There is a real danger with a renovation strategy when you make decisions based on what you like, how you like to live and where you would like to live. The danger is that you can become emotionally attached to the process; you make decisions from your personal perspective rather than what the market wants. Unfortunately, this can easily result in overcapitalisation, which can turn a potentially profitable deal into a dud. The way to avoid this is to ensure that you have researched what the market wants and allow this to guide your decisions.

For example, how many bedrooms do you need to be targeting in the end product? Is a single garage okay or does it need to be a double garage? Is an ensuite or a walk-in-robe essential? Do all bedrooms need built in robes? Are laminate bench tops acceptable or do they need to be stone? Where does the market want to be, e.g. do they want to be near parks or sporting field, or private schools, or near other key infrastructure like public transport, shops, café areas, and will they pay a premium for this?

Strata Titled Properties

There are a couple of unique opportunities when renovating a property that is strata titled and under management by a body corporate, like units, townhouses and apartments. The first is the 'sinking fund'. This is a pool of money that every owner in the property is required to pay into annually and which is to be used for on-going maintenance of the building and the communal areas. The unique opportunity with this is that some sinking funds are very large and there may be the opportunity to request through the body corporate that the funds be used to update the exterior of the building, like repaint, or render, or modernise the hand-railing, or upgrade the common foyer area or landscaping. Because these works are being paid out of the sinking fund, you will get the benefit from the improvements, without having personally contributed to the fund, especially if you have just recently bought the property.

So while you are renovating the inside of your property, the body corporate could be renovating the outside. Clearly, this could have an enormous impact on the end value of the property. To instigate these works you may have to take a lead role in raising the idea at the body corporate meeting, getting the other owners on side and arranging quotes etc., but it could definitely be worth your while. Alternatively, you may target a property that is in a complex that is already in the process of renovation by the body corporate, or proposed for in the near future.

The other unique opportunity with some strata titled properties, is if you own one of the top floor units or apartments, and you are able to negotiate to gain access and usage rights to the roof top space. This has happened before where the owners were able to add a complete roof top level to their apartment, with private spiral stair access. This area was assigned to them as long as they paid for the works to wet-seal the roof and install the necessary safety measures etc. In this instance the rooftop area gave them spectacular ocean views and added significant value to their apartment.

Notes

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PLATINUM ACCELERATOR

Income Strategies

Income strategies are those strategies where a positive cash flow property is the end result. Hence the income from the property exceeds the expenses, including interest on 100% of the purchase price, plus any costs associated with the property. These properties are otherwise referred to as a cash cow property. They are either a direct cash cow, where the property is positive from the day you buy it, or an indirect cash cow, where you have to do something to the property in order to turn it into positive cash flow. So let's now drill down to the property characteristics you are looking for across a range of income strategies.

Executive Leasing

Executive leasing is where a property is leased short or long term to an executive tenant either as an individual person, or a company tenant for its staff. Typically, the property is in a high demand area and more often in a metro area, but not always.

The key to this strategy is understanding what the market wants, and so in terms of executive leasing, it's researching the property managers that specialise in this area and determining from them what they want from an executive rental, what location – down to the street, even the building, and what part of the building, such as the aspect, view, access, can play a significant part. What facilities need to be available in the general area, e.g. transport, access to shopping and restaurants and entertainment etc.? What facilities need to be available in the building, e.g. heated swimming pool, gymnasium, café or restaurant? Then down to the actual apartment or house, what needs to be provided, for example fully furnished, cleaning and linen service, yard maintenance to name a few?

What quality of finishes are required? For example, fully renovated high-end finishes, or is mid range acceptable? The difference being stone benches or laminate tops? Walk through hob-less shower or a 900x900 shower base shower? Timber venetian blind or full block out double roller blinds? This is the level of detail you need to get down to.

Once you know exactly what the tenants and therefore the property managers require, then you go out and find that product, or create that product if it doesn't already exist. Remember that you are creating a product for a particular end user, not for yourself and so you need to be directed by what that end user requires.

Short Stay Accommodation

e.g. Airbnb

This strategy is where you rent a part of your property typically to a traveller, generally on a short-term basis. The property may be your PPR or an investment property that you have set up specifically for this purpose. The essential aspect of this strategy is that the property is in a location where people want to stay. Unlike executive leasing that tends to be more metro, short stay accommodation can literally be anywhere, as long as there is a reason for being there, so even unique or quirky locations could work, as long as there is a demand.

Just remember though that the more unique or quirky the location or property, potentially the smaller the population that it will appeal to, which may not be what you want when you are trying to run a business, which is what this is. You want broad appeal. Again understanding your target market will dictate the specific characteristics of the property you are targeting. Also keep in mind that you may ultimately want to sell the property, and so being mindful of this and its location and the population size for selling into is important.

Depending on the number of bedrooms you intend to rent out and whether you are living there or not, you should also make enquiries with council regarding the maximum number of people that can reside in a standard dwelling house, particularly unrelated people, as this does make a difference. They are unrelated people because in effect you could have each room rented to different people that have never previously met and yet are sharing the space for the duration of the stay. The overriding consideration is people's safety and ensuring that you comply with the council and building code requirements in this regard.

Boarding House and Student Accommodation

These rent-by-room style accommodation types are purpose specific and need to comply with the various regulatory bodies in your area. Council approval may be required from a town planning perspective, including zoning, particularly if you are developing it from scratch. Even if you are renovating an existing building though, depending on the number of bedrooms and the purpose of use, the zoning may still be very relevant.

Council's Occupational Health and Safety Department may also require approval for this use, depending on the council's requirements and the nature of the business being operated.

Similarly, the Building Code of Australia needs to be complied with, because there are different classes of building depending on the number of bedrooms and the overall size of the building. The code dictates such things as fire management requirements, e.g. smoke alarms, exit signage, disability access and facility requirements to name a few.

On top of this, the Tenancy Authority in your State will also have regulations, as does the Office of Fair Trading regarding the operating of this style of accommodation. Hopefully from this brief explanation you can see that understanding the various local government and authority requirements in your specific location is essential in order to inform your decision on the specific characteristics that you are looking for in a property.

The next step is to overlay the specific needs of the end users and understand what it is they require, as this will impact on the characteristics you are looking for or indeed need to create. For example, are shared bathroom facilities acceptable or do they need to be ensuites? Does it need to be fully or partially furnished? What amount of lockable storage is required in the kitchen? Is car parking required?

This is just to name a few. Location will also be dictated by the end user. For example, if you are providing student accommodation, clearly the property needs to be in close proximity to an education facility, university, TAFE, college etc. Being close to public transport, shops and facilities also tends to be important for this strategy.

Granny Flat and Dual Occupancy

This strategy is about converting existing dwellings or parts of dwellings into granny flats or dual occupancy, or alternatively, constructing them from scratch with the intention of creating multiple income stream properties. Either way, the dwellings need to comply with the council requirements for that usage, in which case zoning,

land size, site cover and all of the factors discussed above under Development Approval are potentially relevant.

Depending on your council, however, you may find that in fact no prior council approval is required as long as you comply with certain criteria. In this case it is more likely to be a building certifier that can sign off on the project and ensure that work is also compliant with the Building Code of Australia.

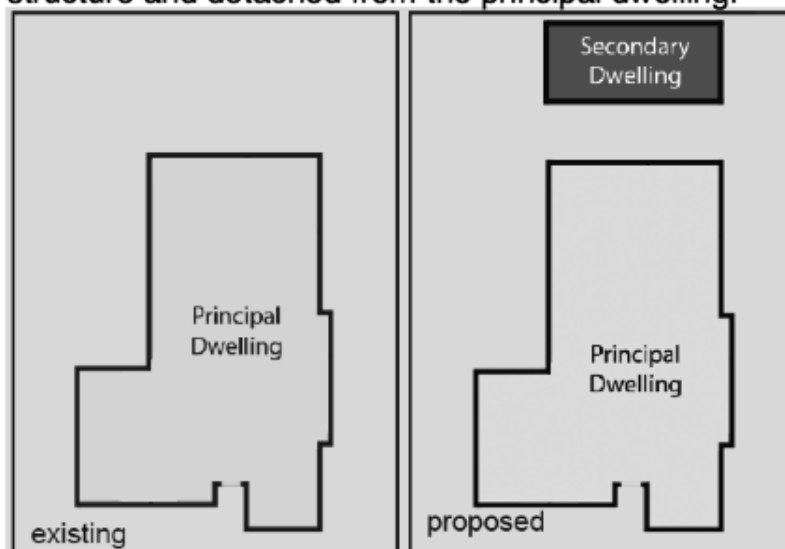
The drafts person that prepares your design plans should also have a good working knowledge of the requirements and consulting with them in advance is invaluable, along with the town planner. That way you know what it is you are looking for before you begin the search.

A granny flat can be added as a secondary dwelling. This might be a separate garage conversion, a new construction or even a pre-fab.

With this option, issues to consider would include separate access, parking, lot size and of course, cost comparative to rental yield.

Option: Detached

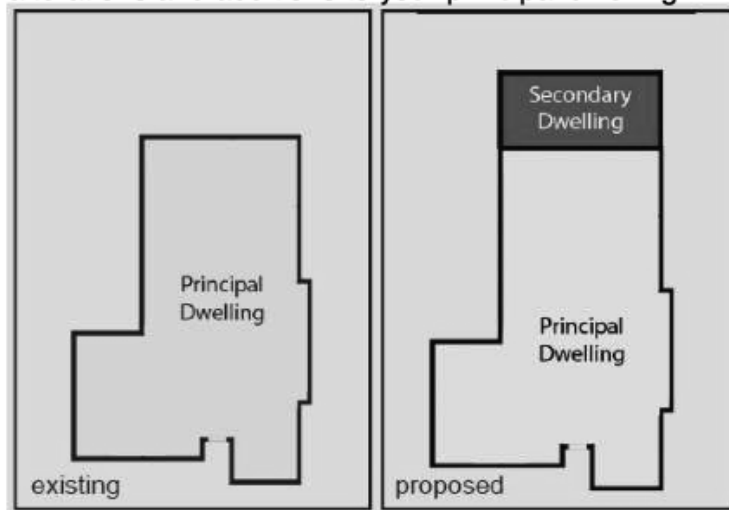
A secondary dwelling can be built as a separate structure and detached from the principal dwelling.



Another option is to have an extension to the existing house to accommodate an extra dwelling/rental. This can often save slightly on cost however doesn't have the separation for sound and privacy that the first option may have.

Option: Attached

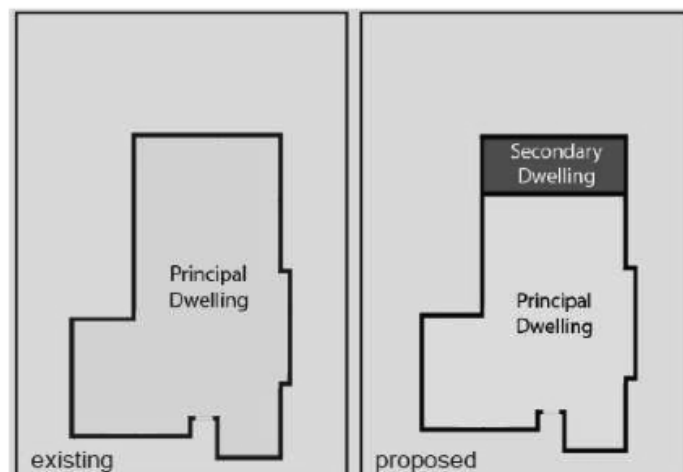
A secondary dwelling can be built as an extension, alterations and additions to your principal dwelling.



The third option is my favourite as it is usually the most cost effective, and that is to reconfigure the internals of the existing house to accommodate an extra dwelling. Again, it may mean privacy is slightly compromised, however, if done well the reconfigure will have a separate external entrance, parking and even yard separation through clever fencing.

Option: Conversion

The AHSEPP allows you to convert part of the principal dwelling, structure or garage into a secondary dwelling.



Just as an exercise, lookup some project builder's plans and see how you might reconfigure their standard plans to accommodate a secondary dwelling.

Storage Sheds

Storage sheds are a commercial multiple income stream cash cow strategy. They can be anything from a row of garage style units through to multi-level buildings. Because they are a specialist land use, they must be located in the correct zoning for that council, which is typically industrial zoning. Council will also have a raft of town planning requirements that need to be adhered to including land size, site cover, setbacks, car parking, driveway access, to name a few and consulting with a town planner will reveal this information.

The Building Code of Australia also has design requirements that will need to be complied with which a draftsman and building certifier will be able to advise on.

If you are purchasing a pre-existing facility, you will still want to confirm that it is council approved and compliant. The location of the facility is also relevant. High exposure sites are more highly desirable. Also, being located near residential areas and more affluent residential areas is better as they have a higher disposable income to spend on storage and more 'things' to store.

Remember, that it is not just the storage sheds themselves that you can rent, but also the hardstand areas surrounding, particularly for boats, jet skis, caravans, cars and the like. Research on the competition in the area is also vital because this is a business that you are operating, not just owning the real estate, unless of course you lease out the site and someone else takes on the full management. In any case, the success of the leasee still impacts on you dramatically, as you want them to be able to continue to pay the rent.

This type of research is similar to the 'grid variance analysis' described in Module 3. In this instance, however, you are gridding on a map all of the other storage shed providers in that town, or within say 50km of you. For each provider you want to know the range of facilities that they offer for rent, their rental rates, occupancy rate, if they have a waiting list and for what, do they have capacity to expand, who manages the facility, how long have they been in business, do they plan to retire or sell any time soon, and what volume of traffic passes the facility? Also, information on the demographics of the surrounding area, the catchment population size, the average family income, and median house value needs to be gathered.

All of this information is vital to understand who your competitors are, what the strengths and weaknesses of their business are, and where do you fit into the mix.

This research method should also be employed if you are considering establishing a storage shed facility from scratch. Having gridded the location of all of the facilities on a map, and knowing the demographics of the areas they service, you will then be able to identify on the map potential gaps that are not yet serviced by an existing storage facility. Researching the main feeder roads into that area and the area demographics will highlight if the area has potential.

It is also valuable to be aware that there is a Storage Shed Industry Association that is a wealth of information. There are also specialist consultants that can do the research, design, and even advise on the management aspects, but obviously this all comes at a cost. There are also larger franchise holders such as Storage King that will work with purchasers to identify potential sites, coordinate design, approvals, construction and management, although you need to have at least around \$1M to attract this type of partner.

Strip Shops

When talking about strip shops here, it means existing shops that are shops in a row along a street, and may be free standing or under the same building roofline. You may be buying multiple shops or potentially splitting the lettable area into multiple lettable areas for multi-income streams. These shops may be anything from retail shops, to hairdressers, to cafés, and the like.



When you are researching this type of deal, it is essential that you research the area to ensure that the location will remain relevant over the long term, or at least over the period you intend to own it for. For example, if the town centre moves owing to the opening of a new shopping complex, and the strip shopping area you are located in becomes less visited and hence, a less desirable location to operate a business, then this will obviously impact on your capacity to attract a quality tenant, not only impacting on your cash flow but also your capital value.

Once you are happy with the area, it's then important to confirm that the building is approved for that usage, that the necessary building approvals and operating approvals are in place, and then research the existing tenants, their lease, and the nature of their business. Clearly the more successful the tenant's business is, the more secure will be your income stream.

Hostels, Backpackers, Motels and Caravan Parks

Hostels, backpackers, motels and caravan parks are all specialist commercial properties. A word of advice when researching these types of deals, is to research other similar properties on the market and develop a profile of what makes a good caravan park, or motel, or hostel business. What are the typical operating costs, the income range, the factors that affect these parameters, and therefore the industry standards, from which you can then compare your property/s of interest.

Researching the competitors in the market is also important, and the method to do this is the same as I described above for storage sheds. As with storage sheds, there are industry bodies, specialist brokers, accountants, and consultants that will be able to guide you in your research on these styles of properties and you would be sensible to leverage off them.

General Commercial and Industrial

The types of properties that fall under general commercial and industrial include things like offices, and industrial sheds. The property specific characteristics that you need to look for are the same as those described above for the other more specialist commercial properties, including understanding the location, the permanency of the location, and its relevance in the area, the competition, the strength of any existing tenants and leases, and the existence of the necessary approvals to operate in that location.

Commercial brokers are invaluable when doing this research, as a good broker will have their finger on the pulse regarding what's happening in the area.

As a first deal, buying an existing commercial deal that already has a tenant and leases in place may be right for you if you have had business experience yourself or if it will form part of a bigger diversified portfolio. Commercial can be a strong investment because of the nature and strength of the income. However, all commercial does come with a higher level of risk and as such requires a greater level of due diligence. An in-depth analysis on the characteristics and due diligence of commercial property is beyond the scope of this manual as an entire manual just on commercial property could be written.

Higher Yield Properties in Resource and Mining Areas

In high yielding resource and mining areas, researching the property specific characteristics relevant to your strategy is essential and everything that has been covered in the section above is relevant. What is as important, or even more important in these areas though, is to research and understand the drivers of the market in that area, not only the industries involved, but also down to the major companies. Clearly the success of the companies in the area and the commodities they are producing will significantly affect the population of the town and thus the tenants that you require for your rentals.

Important information to be researched here is the stage at which the project sits. Is it in construction or operation, or nearing the end of the mine life?

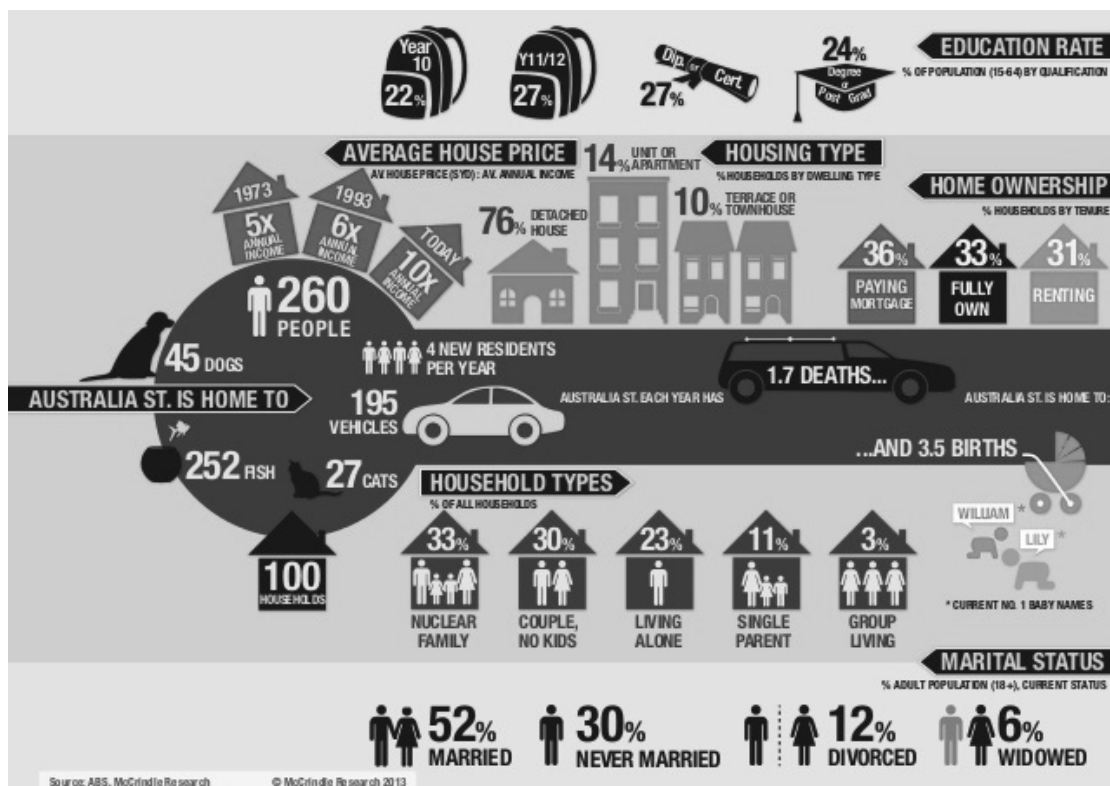
Clearly, each of these stages will affect the workforce required and therefore the demand for accommodation. Understanding any new project is also important. What stage in the process are they at and what may affect their progress?

With this type of strategy this research needs to be on going, so it is not a 'set and forget' process, because as the market, commodities and industries change you need to be abreast of this too.

Also, you need to understand the property market in the area and keep a watch of new residential projects that may bring a quantity of new properties to the market. This is because these will become your competitors from a tenancing perspective, and so being on top of this information is important if you want to maintain and maximise your yields.

From the types and styles of income strategies, select a strategy that you are more likely to do or incorporate into your first few deals and write a list of the characteristics you need to look for in a deal of this type. The more deals you can add and the more specific you can be at this stage, the easier it will be for you to find the deal you are after when the time comes.

Here are some interesting stats to finish this module on from the Australian Bureau of Statistics.



Infographic by McCrindle Research

Notes

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PLATINUM ACCELERATOR

MODULES

1-5

MODULE 1: GETTING MARKET READY

MODULE 2: PEG IN THE SAND

MODULE 3: STRATEGY & LOCATION

MODULE 4: FINDING DEALS

MODULE 5: CHARACTERISTICS & RESEARCH



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