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# Fast-tracking your wealth



## Property Secrets' six steps to successful property investing

**L**earn the strategies of how to create real and lasting wealth through property investment with personal tips and advice from Property Secrets director, Paul Giezekamp.

With almost two decades of investing experience to his name, Giezekamp has propelled his business to unbridled heights, attracting the attention of scores of eager property investors in Australia, and now internationally. Property Secrets' DVD features an overview of the six secrets to successful property investing – coach, finance, buy, renovate, manage and protect. Your free 10-minute DVD highlights the six strategies behind becoming a seasoned property investor and, most importantly, how to make these secrets work for you!

**1 Coaching**  
Coaching eliminates the costly and time-consuming restraints of investing by trial and error. Ongoing property coaching encompasses seminars covering all facets of investing. This includes mortgage and property planning, buying bargains, asset protection and choosing trusts. It helps clients avoid investment mistakes as well as develop auction strategies. As an investor, aligning yourself with a team of financial advisors, mortgage planners and solicitors who can advise and help negotiate from start to finish, with free ongoing teaching and workshops, is an invaluable asset.

**2 Finance**  
Property Secrets finance division, Green Loans Australia, arranges finance for new home loans, and refinances existing mortgages or investment loans. As a licensed mortgage broker with access to over 47 lenders throughout Australia, Green Loans Australia will find the most competitive rate super-fast, using their 40 second pre-approval system to establish a flexible solution to suit your financial circumstances. Full accreditation allows Property Secrets to strategise effective mortgage planning by examining a client's credit file, documenting any prior defaults, when and which lenders have been previously approached, current loans, and which mortgage insurers and products have been used.

**3 Buy**  
As a buyer's agent, Property Secrets aims to locate the most suitable property for your financial and lifestyle circumstances for the most cost-effective price, eliminating the stress and worries associated with researching the market. It can also bid on behalf of clients to negotiate the best possible price outcome either by auction or private treaty. The buyer's agent division will conduct appraisals determining the client's investing wants and needs

in relation to what type of dwelling to invest in, and which locations are preferable, before tailoring short-term and long-term individual buying strategies accordingly.

Educated and well-researched buying propels you to the next investment property, whereas for those who haven't done their homework and have ended up with a lemon – unfortunately it's going to be a burden and added cost from day one. A 25-point property purchase formula ensures clients are educated on the correct investments for their requirements and goals, that they are buying in growth areas, have all necessary checks completed and have the potential to double their portfolio in coming years.

**4 Renovate**  
Smart investors know that superior renovating is a sure-fire way to increase a property's value, provided it is undertaken correctly. With the banks now privy to budget renovations, the wrong approach can be detrimental, leaving your property critically undervalued. Licensed builders together with Property Secrets arrange and conduct all aspects of the renovation process, achieving affordable, high-quality property overhauls from a basic renovation at \$15,000 to a complete overhaul of \$80,000. A team of over 100 licensed tradespeople have access to bulk discounts, due to the volume of business referred to builders, giving you greater options to increase the value of your property in a fraction of the time and at a much lower cost than it would take to do privately. Professional renovations encourage quality tenants, ease for agents, higher valuations and a safe living environment – given the removal of asbestos and other hazardous onsite building materials have been found to be compromising not only to your health but also to your hip pocket.

**5 Manage**  
The most vital elements of the managing process are to create volume, to produce a suitable



tenant wish list, achieve sustainable rent, provide data checks to source suitable tenants, supply insurance and ensure the property is safe and well-maintained.

With affiliations with property management companies who deal with leasing, and the administration of property including issuing contracts, securing appropriate tenants, negotiating rents and attending to maintenance and compliance standards, Property Secrets' management division takes out the guesswork by injecting a winning framework.

Property Secrets has negotiated property management fees of 5% including GST, compared to other individual property investors who charge around the 9% mark plus GST, for similar property management service fees.

**6 Protect**  
Protecting an investor's best interests requires more than offering a selection of insurance policies. Educating clients on succession planning through an external team of accountants, solicitors, financial advisors and bookkeepers, ensures investors are provided with a comprehensive asset protection package. Beginning from the initial sourcing, acquisition and financing of your investment, bookkeeping, financial and legal assistance, right through to property maintenance and property systems will all be tailored to your individual needs.

Protection covers discretionary, hybrid and personal trusts, explaining the pros and cons and which will work the most effectively for you.

*Start building wealth for yourself now by calling us today on 1300 653 7910*  
[www.propertysecrets.net.au](http://www.propertysecrets.net.au)



# Do you have property investor questions? Ask Paul!



## Q Property club wants my equity

A property club advised me that I can get 20% interest or more if I give them my equity to invest. Should I do it?

## A Absolutely NOT!

Being a property consultant myself, I can't tell you the number of times I hear 'Investment Disaster Stories' from people who have lost money on these schemes.

When I'm told of these stories there is little I can do to help them as their money has gone, never to return.

I'm sure these clubs will advise that it's all guaranteed and that it's safe investing, but ask the investors of Fincorp if they agree with that statement and if they will ever see their money again. The answer is: not likely.

Apart from this, has the property club told you they will be making massive commissions from your equity with absolutely no risk to them, just YOU?

Lastly, at the end of the day you should always have full control of your equity. If you pass over the control to a property club you aren't investing... you're gambling!

## Q Rental tips wanted

I've just purchased my first investment property. Should I use an agent or should I rent it out myself to save some money on agent fees?

## A Always use a licensed agent!

There are over 30 items you have to do to comply with governing bodies in order to ensure that if ever there is a dispute between you and the tenant, you win in court (tribunal).

Insurance companies may not pay your claim if you lose at court due to inadequate document administration.

Also, I'd rather be playing tennis than stressing about whether the lease was prepared properly or the condition report was done correctly.

When you find the agent, ensure they do the following so that you get a good tenant:

- Must have a full-time job for over six months
- Full rental history
- Bank 100 points ID check done
- Next of kin checked

Also, make sure the agent shows you the following tenant database checks:

- TICA
- RP Data
- Barclays
- TRA

If all of the above is covered, then help the agent out by being flexible on the rent that you want. One of the biggest mistakes I come across with property investors is they 'Chase high rents'. Work with your agent, not against them.

## Q Renovations – budget or professional?

I'm ready to renovate my investment property. Should I do a budget renovation myself or spend more and use professionals?

## A Unless you have the time and skills – get in the professionals.

Whenever I buy properties for myself and/or clients, I always buy bargains. By doing this it means I have extra money to spend on a quality renovation with licensed tradespersons.

Let's do a comparison:

Budget renovation:

- Tenants don't like them
- Agents find them hard to rent
- Valuers value down for budget renos
- Insurance companies may reject your claims
- Just not safe for the tenants

Quality renovation:

- Tenants fight to rent your property
- Agents love the ease of renting them out
- Valuers value up for quality renos
- Insurance companies find it hard to reject claims
- The property is SAFE. From smoke alarms to safety switches

As a seasoned property investor my preference will always be a quality renovation. In the past I've done the \$1,000 renovation and ended up with a high maintenance investment with constant complaints from the tenant.

Do yourself a favour. Use professional tradespersons, get a low maintenance investment and enjoy life.



## Property Investing Made Easy.

We make investing in property an easy, wealth-creating experience. From loans to purchasing to renovating. We want to make everything simple so that everyone can enjoy the benefits of wealth creation through property.

**CONTACT US NOW**  
**1300 653 790**  
[www.propertysecrets.net.au](http://www.propertysecrets.net.au)

Ask Paul is a regular feature forum provided by Property Secrets where you can ask Paul for his thoughts on any of your property investment queries. Just go to [www.propertysecrets.net.au/askpaul](http://www.propertysecrets.net.au/askpaul)

- Coach
- Finance
- Buy
- Renovate
- Manage
- Protect



# Ready, set, invest!

**Investing in property can be the quickest way to build your nest egg. However, as Paul Giezekamp explains, you need more than sheer luck to succeed**

Investing in property, if undertaken correctly, can be one of the best ways to ensure future financial independence and stability.

However, after you've completed the drawn-out process of choosing the right loan, negotiating the property price, renovating and leasing, your initial excitement and enthusiasm can fade. Investing in property can quickly become an overwhelming and exhausting experience.

But you don't have to do everything on your own. Enlisting the help of experts not only saves time, but also helps ensure you get it right the first time.

## Hiring a coach

Having a property coach on your side means you know your funds are being worked to your advantage. You'll also gain years of knowledge relatively quickly, saving you time, money and errors in judgement.

Inexperienced investors who take the wrong approach are left at best discouraged and disappointed, and at worst in debt or as victims of property scams. One of the biggest mistakes a novice investor can make

## One of the biggest mistakes a novice investor can make is allowing emotions to influence the property purchase

is allowing their emotions to pave the way when purchasing, rather than focusing on properties with long-term investment potential.

This can involve paying more for a property than its true value, failing to buy in growth areas, and underestimating renovation jobs or trying to get away with quick and easy \$1,000 patch-ups.

Using the wrong lender or mortgage product, choosing undesirable tenants, charging the wrong rates, or not taking out insurance can also make for an expensive exercise.

## Vetting your coach

Through a lack of research and understanding, investors often fail to thoroughly examine their chosen property experts.

Be especially attentive when choosing a lender or mortgage broker to avoid it becoming a costly learning curve.

Seek out a coach who has the skills, knowledge and capacity to recommend the correct lender the first time around. When you're dealing with substantial sums of money, there's little to no room

for error. Arm yourself with practical knowledge by attending organised property trips and seminars, which usually cover mortgage planning and buying strategies.

As an investor, you'll have a certain mindset in regards to what you wish to achieve and which areas you need particular assistance with. Your coach should work with you to define short,

medium and long-term planning and retirement goals. He or she should also assess previous and current finances, and perform concise property matching, while regularly reviewing and revising your investment strategy.

## Finance

One of the secrets to property investment success is ensuring you have the right financial arrangements in place prior to hunting for properties.

The right finance structure or mortgage plan will enable you to buy with the lowest possible risk, and consequently help you to acquire more.

Very few clients instinctively know how to manage their financial structure. Consider using a fully accredited mortgage planner to help you get it right from the start.

Effective and sustainable mortgage planning involves examining your full credit history file which documents when and which lenders you've previously applied to, current loans, which mortgage insurers and products you've used, and any defaults.



Unfortunately, some mortgage brokers aren't accredited and aren't able to offer their clients this service, so do your research beforehand.

## Proceed with caution

While mortgage brokers may get you a good rate, I'd be wary of any who focus primarily on locating the cheapest loan with the cheapest accompanying fees.

If a broker places you with an lender that's incompatible for your circumstances, your future borrowing and investments could be unduly restricted. I recommend proposing the following questions to any mortgage broker or planner you're considering:

- Do you have access to a wide variety of lenders?
- How long have you been in the industry for?
- What are your qualifications or training?
- Are you a member of an industry association and if so, which one?
- Do you have professional indemnity insurance?
- Do you charge brokerage fees?
- Can you offer income and life protection at the same time I take out a loan?
- Are you a property investor yourself?
- Can you supply any client testimonials?
- Will you provide ongoing support once my loan's been approved?
- What can you provide that other brokers or planners cannot?

If the broker or planner is guarded with their answers or can't provide you with straight and honest information, my instincts would tell me to immediately bypass that one and continue searching for one who'll satisfy your requirements.

Once you've determined how much equity you have, the type and number of dwellings per state you wish to acquire, and your short and long-term goals, I'd strongly urge you to negotiate income and life protection.

While the lenders take out mortgage insurance that you pay for, it's imperative to ensure you and your family are also adequately protected.

The majority of borrowers have little to no insurance due to a lack of



## Tips on how to qualify a property coach

- 1 Complete a search on RP Data on the property coach in question to uncover how many properties they own. If the coach buys properties through trusts, carry out another search using their trust names.
- 2 Contact the Department of Fair Trading to ascertain more information about the company or property coach, and check whether they hold all the required licences for the services they sell.
- 3 Investigate how large the company is, how many staff it currently employs and for how long the business has been running.
- 4 Enquire about property coaching costs. Some coaches will ask for large sums of cash upfront – \$250,000 or higher. My advice if you encounter this is rather than be taken for a ride, run a mile in the opposite direction.
- 5 Check whether the coach buys or owns properties in the locations they're advising you to invest in.
- 6 Ask the coach what levels and features of customer support are offered. Is the support free, ongoing or cost an extra fee?
- 7 Name search the businesses' and coaches' names on Google.

awareness, knowledge and information. Think about it; everyone insures their home and contents, their cars and even their travel, so why aren't our own lives and our investments treated with the same priority?

Income protection services your loan while life insurance pays it out in the case of an accident.

Avoid becoming another mortgage default statistic through negligent research and a lack of foresight and planning.

Often the thrill of the home loan hunt entices borrowers to jump into the process prematurely – buying first, worrying about securing a loan second. This usually results in choosing the wrong home loan structure, adding increased risk and jeopardising their chances of success.

When buying property, don't negate the importance of the correct loan structure and never allow yourself to be rushed or pressured into signing anything you're unsure of or uncomfortable with.

Don't be a naïve investor; finance is equally as important as the bargain buy. Organise your loan before you start shopping and you'll be ready to take the next step. 🏠

Paul Giezekamp is a property coach and mortgage planner with Property Secrets. For more information visit: [www.propertysecrets.net.au](http://www.propertysecrets.net.au)

