



urbantech[™]
INVESTOR

property mentoring & jv services.

Property Mentoring

The common denominator with successful sports and business people is that they all have worked with a coach or mentor.

Ready, Fire then Aim...

Talkfests, seminars, workshops, how-to books... you've heard it all before. It's the age old problem of talking the talk and not knowing when to walk the walk. It applies to so many things, especially property, but, where to start? If you are genuinely serious about learning and fully understanding the benefits of property investing you need to know when the time comes to move beyond theory and get your hands dirty a little. After all results come from taking action not more preparation!

Mistakes can be very costly, no matter what you do in life, so it's imperative for the property novice to have a mentor - to speak the same simple language, clearly explain the ins and outs, and to start you moving in the right direction. A good property mentor will know their way around the pitfalls and the mistakes to be had. They are a source of guidance, motivation and focus, and should understand and work with your personal goals, advising along the way.

You can rest assured we have the solid hands-on experience and investment track record to give you the very best advice and the best bottom-line on your property investment. We'll walk you through the real life step-by-step process we use when investing in property. We'll show you the 'how to' strategies to find, negotiate, finance, buy, renovate and develop property. The strategies are easy to learn - the secret is putting them into practice. That's where our property mentor Andrew Farnden comes in.

Learn by doing! We will give you the opportunity to work closely with Andrew as he skilfully gathers together all the parts that go towards a profitable property deal. You'll be given one-on-one sessions, attend investor workshops and have access to the very same team of advisors that Andrew uses to maximise his own investment portfolio returns. His passion, humour and no-BS style will quickly allay any fears you may have and soon open your eyes to the exciting world of property investment.

Simply, Andrew Farnden will provide you the knowledge, tools, skills and contacts to go beyond your first tentative steps and start you on the road to property success.

Property Mentoring:

- One-on-One Coaching - learn how to Find, Buy, Innovate and Profit from property
- Investor Workshops & Networking
- On call support
- Discounts on our **Re-Innovation** and **Buyers Agent** services
- 12 month subscription to Your Investment Property Magazine
- Monthly Newsletter
- Property Investment Best Selling Book
- Advisor Access [Free consultation with Finance Broker, Accountant, Insurance Broker, Financial Advisor, Real Estate Agent, Property Manager etc...]

Cost: \$220 per hour [including GST]

Free Investor Toolkit:

- Portfolio Review
- Investment Business Plan
- RE-Search Kit
- Property Sales Reports
- Residex Investor Reports, RP Data Property Reports
- Property Investment Analysis Software
- Letter of Offer Template
- Joint Venture Contracts
- More...

Cost: FREE with our Mentoring Service

Example

Chris and Amy have around \$50,000 of equity in their home and are considering using it to buy their first investment property. They have friends that invest in property but they're just not sure how to go about it. They've heard of people making money buying and selling property but they also know people that have done very well by holding on to their properties. They're confused; why is it some people are able to buy multiple properties in a relatively short period of time while others have many years between their investment buys?

Should they 'buy & sell' or would they be better to 'buy & hold' so that they can build a property portfolio? What is the true benefit of renovating an investment property? Does it really help you to make more money or allow you to buy more property in a shorter time frame? Unsure and just apprehensive about making a costly mistake, Chris and Amy decide to enlist the services of a property mentor to help them through their first investment experience.

With the expert guidance of their mentor Chris and Amy are able to find, negotiate, finance, buy and renovate their first investment property. Let's look at how they went; what return did they make on their initial capital and should they hold their first investment property or sell it for a profit?

Strategy #1 - Buy, Renovate & Sell

Purchase Price	\$215,000
Purchase Costs	\$9,900
Renovation Costs	\$21,250
Holding & Selling Costs	\$11,100 [finance, agent fees, advertising]
TOTAL COST	\$257,250

Bank Loan [95%]	\$204,250
Investment/ Shortfall	\$53,000

SALE PRICE	\$275,000
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PROFIT [16 weeks]	\$17,750 [Sale Price - Total Cost]
COC Return [after reno]	33.5% [Profit/Investment]

How do the numbers change if they decide to hold on to the property?

Strategy #2 - Buy, Renovate & Hold

Purchase Price	\$215,000
Purchase Costs	\$9,900
Renovation Costs	\$21,250
Holding Costs [during reno]	\$2,500 [interest costs: \$215,000 @ 7% for 2 mo]
TOTAL COST	\$248,650

Bank Loan [95%]	\$204,250
Investment/ Shortfall	\$44,400

NEW VALUE	\$275,000
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PROFIT /EQUITY GAINED	\$26,350 [New Value - Total Cost]
COC Return [after reno]	59.3% [Profit/Investment]

The Profit and Cash on Cash [COC] returns are very attractive regardless of whether Chris and Amy decide to sell their investment property or hold on to it. While it appears they will get a better return by holding onto the property, they need to consider that the profit is only a paper profit. To realise this profit [and access the equity] they will either need to sell the property and incur selling costs [such as agent and marketing fees] or refinance the property, therein incurring refinancing and ongoing interest costs.

If they sell the property the profit will be exactly the same as Strategy #1. However, if they decide to refinance the property they'll only be able to release \$12,600 in profit [95% of \$275,000 - \$248,650] In addition, by keeping the property they will have to pay ongoing holding costs.

Should Chris and Amy sell their property or hold on to it? - It really depends on their investment goals. If they want to build a property portfolio they should look at keeping the property, however they are likely to incur ongoing holding costs and will thus need to decide whether it is financially viable for their situation. If their goal is to create more income [cash flow] then perhaps they should consider selling the property to take their profit. In fact, if they were able to replicate this buy & sell strategy just 3 more times in the year they would have created and extra \$71,000 in income.

Let's consider what would happen if Chris and Amy decided to rent the property and hold it for the next 12 months;

Value today [after Reno]	\$275,000
Value in 12 months	\$288,750 [5% capital growth - historically growth is 7%]
INCREASED VALUE	\$13,750

Annual Income [Rent]	\$14,300 [\$275 x 52 weeks]
Annual Costs [Loan Interest]	\$18,300 [\$261,250 @ 7%]
HOLDING COST/INVESTMENT	\$4,000

PROFIT /EQUITY GAINED	\$9,750 [Increased Value - Holding Cost]
COC Return [for 12 months]	244% [Profit/Investment]

While Chris and Amy would need to spend \$4,000 over a 12 month period to be able to hold on to their investment, their property did appreciate by 5% during the same period earning them \$13,750 in new equity. The result - a very handy 244% return on their invested money. In addition, because Chris and Amy have held the property for over 12 months they will qualify for a 50% capital gains tax deduction if they did decide to sell.

Finally, what impact does renovation have on the investment? What if Chris and Amy decided simply to go out and buy themselves an investment property worth \$275,000 without renovating it?

Strategy 3# - Buy & Hold [un-renovated]

Purchase Price	\$275,000
Purchase Costs	\$13,100
TOTAL COST	\$288,100
Bank Loan [95%]	\$261,250
Investment/ Shortfall	\$26,850
NEW VALUE	\$275,000 [unchanged as property was not renovated]
PROFIT /EQUITY GAINED	-\$13,100 [New Value - Total Cost]
COC Return [at purchase]	-49% [Profit/Investment]

The Profit and Cash on Cash [COC] returns on this property are initially negative thanks to the purchase costs and unchanged value of the property. In fact, the property would need to grow in value for Chris and Amy to break even on their investment. It could actually take a few years for the properties value to increase enough for Chris and Amy to be able to turn a profit.

In contrast, by renovating a slightly cheaper property Chris and Amy were able to create immediate equity in their property while controlling an asset of exactly the same value. As a result they will be able to buy their next investment property much sooner using less of their own savings.

Getting help...

The purpose of our mentoring service is to teach you how to become a smart and profitable property investor. The amount of assistance you desire really depends on the level of knowledge you have and the level of input you would like.

We can simply teach you what to do and leave all the doing to you. We can help you find, negotiate and buy an investment property [via our Buyers Agent Service]. We can even help you to add value to a property by renovating it [via our Re-Innovation Service].

For more information and to discuss your situation please call 08 8404 3133

Joint Venture Services

How would you like to have the opportunity to partner with us on a property deal?

As active investors we regularly buy, develop/renovate and sell property each year however, individually there's a limit to the size and number of projects that we can fund and participate in. As a result Urbantech is looking to work with a small number of motivated people who would like to be part of a successful property investment team.

As our Joint Venture [JV] Partner you will have the chance to play an important role in our property deals and earn yourself an equal share of the profits that we generate. This opportunity is not for everyone - to qualify you will need to have access to savings or available equity of at least \$100k, as well as have the ability to obtain a property loan.

How does it work?

- Register as a potential JV Partner - you'll go on our exclusive JV Property Investor subscriber list and receive notification as soon as we find the next suitable project.
- Review the project - we'll send you a property development due diligence kit in order for you to determine whether the project is of interest to you and a fit for your situation.
- Become our JV Partner - once you've crunched the numbers and decided you like the deal you can sign on to become our JV Partner in the development project.
- Do the deal - As partners we will buy, develop/renovate and sell the property sharing all profits from the project on an equal basis. Put simply, if you don't make money we don't make money.

Our development strategy is simple; buy well, add value and sell for a profit, all within the shortest possible time frame. We'll also manage the entire development from start to finish keeping you in the loop every step of the way. While you won't be required to commit any 'hands on' time to the project, you'll certainly have the opportunity to gain invaluable investing experience.

Have you got a deal for us?

Do you own property/land that might have potential? Found a great project but it's just too big to do it all on your own? Come across a real winner but not sure how to put the deal together?

Bring us the deal and if the numbers are right we'll work out a way to help you realise your profits. Even if you're not in the financial position to be part of the development we'll still pay you a handsome 'spotters fee' for finding the deal.

What if you don't want to buy and sell?

Are you more interested in building a property portfolio? As buyer's agents and renovation experts we have the skills to help you to find, buy, renovate and create long term wealth through smarter property investment. In fact, by following our strategies we know you'll be able to build a bigger property portfolio in a shorter period of time.

For more info and to register your interest as a potential JV Partner please call 8404 3133

Note:

We're not developers trying to flog you properties we have built and we're not an interstate marketing group trying to sell you properties in Queensland. We are local investors who buy and sell property right here in metropolitan Adelaide - you can see, touch and feel all of our projects.

Example

Michael and Mary are typical baby boomers; they bought their house years ago and have worked hard to pay down their mortgage. As a result, they've now built up quite a bit of equity in their home. In fact, like many other couples their age they are asset rich but cash flow poor. And to make matters worse they both work full time and so are also time poor. They like the idea of making some extra money via property investing but they realise they just don't have the time and expertise to make it happen.

Rather than trying to do it all on their own Michael and Mary decide to partner up with an experienced property investor who is able to organise and manage the entire project from start to finish. In fact, all they have to do is to wait for their joint ventures partner to bring the deals to them.

After crunching the numbers on a few deals, Michael and Mary find a deal they like. Using the equity in their home they buy, renovate and sell a property with their investor partner.

Joint Venture - Buy, Renovate & Sell

Purchase Price	\$300,000
Purchase Costs	\$14,700
Reno Costs	\$28,300
Holding & Selling Costs	\$14,100 [finance, agent fees, advertising]
TOTAL COST	\$357,100

Bank Loan [95%]	\$285,000
Investment/ Shortfall	\$72,100

SALE PRICE	\$420,000
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PROFIT [16 weeks] **\$62,900 [Sale Price - Total Cost]**

COC Return [after reno] **87.2% [Profit/Investment]**

***JV PROFIT [50-50 Profit Share]** **\$31,450 [50% of \$62,900]**

By using a Joint Venture [JV] Partner Michael and Mary earned themselves \$31,450, being 50% of the total profit - all without having to use up any of their quality time. In fact, while the project was being completed Michael and Mary were able to enjoy their weekends and spend some quality time together. All they have to decide now is whether they use their profit to go on an overseas holiday or to buy into another property investment deal.

Urbantech Investor

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