



'A dream without a plan is wishful thinking, while a plan without a dream is plain boring!'

Please allow yourself at least one hour to read and complete this form. If you are investing with your spouse/partner, please discuss the form together. Be specific and realistic with your financial goals. Once finished, place this form in your home or office as you must remind yourself constantly of the specific goals that you are working towards!

What are your financial goals?

To build an investment plan you first need to understand 'why' it is important for you to improve your financial wellbeing. You need to develop a vision or a dream of a better financial future. Ask yourself the following questions:

- ⇒ What would you love to do if money was no longer a problem?
- ⇒ What would be your true purpose and passion for life?
- ⇒ What have you always wanted to do?
- ⇒ What would your new life look like? What type of car, house, holidays, leisure activities, family and friends?

How much would you need to fund your new lifestyle?

Where do you fit on the table below and what level of passive income do you need to achieve, in order to comfortably retire and fund your new lifestyle.

Broke	\$400 net per week
Just getting by	\$500 net per week
Moderately secure	\$600 net per week
Independent	\$1000 net per week
Financially free	\$2000 net per week
Wealthy	\$4000 net per week

FINANCIAL GOAL CALCULATOR [*Example]

The aim of your investment business plan is to earn a passive income of per week.

How many years from now do you want to start enjoying your new lifestyle? years.

Assuming that you will be able to conservatively achieve a return of 5% per annum, what level of assets will you need in order to provide your desired Net Income [per week] at retirement?

NET ASSEST CALCULATOR [*Example]

Desired Net Income	<input type="text" value="\$4,000"/>	per week - today's dollars, after tax
x 52	<input type="text" value="\$208,000"/>	[A] per annum
x 1.6	<input type="text" value="\$332,800"/>	[B] approximate before tax income
x 20	<input type="text" value="\$6,656,000"/>	[C] Net Asset required based on 5% return
÷ by	<input type="text" value="15"/>	[D] years to retirement
=	<input type="text" value="\$443,733"/>	[E] yearly investment/savings required
÷ 52	<input type="text" value="\$8,533"/>	[F] weekly investment/savings required

In order to build a passive income of \$4,000 per week you must build a net asset base of \$6,656,000. In order to build this asset in 15 years you would have to save \$443,733 per year.

Analysis

Can you save \$443,733 every year for 15 years straight? For the majority of Australians, this is completely out of the question! In fact many people are lucky to have accumulated a total of \$443,733 in superannuation funds by the time they retire. So if you can't save your way to a passive retirement income of \$4,000 per week, or accumulate enough superannuation, your only option is to build an investment business plan that can ensure you achieve your goals.

In most situations the asset class that will give you the most amount of leverage and thus allow you to build a substantial passive income the quickest is residential property. Did you know that if you bought one inexpensive investment property each year for ten years you could retire on a tax free passive income of over \$4,000 per week? All it takes is for you to build a plan and to stick to it! [See the Investment Plan Calculator below]



'They say that if you are failing to plan then you are planning to fail.'

Building an Investment Plan.

In most cases residential property is the best investment vehicle for wealth creation particularly as it provides more leverage compared with shares or business. However, the great debate regarding property investing has always been whether you invest for capital growth or for cash flow.

Historically property values have doubled every 7 to 10 years [source: REIA] so if you were able to buy enough property and hold it for one full cycle, you could potentially create a large amount of equity. To build an asset base the quickest we believe the average person should invest for capital growth rather than for cash flow. For example, if the average 'cash flow positive' property gave you \$40pw in your pocket then to build a passive income of \$4,000pw you would have to buy 100 properties. Now that is a lot of properties to buy and manage for a \$4,000 per week of 'taxable' income! If you invest for capital growth you might only have to buy 10 inexpensive properties to get a 'tax free' income of \$4,000 per week. The flipside however, is that the average capital growth property is often slightly 'cash flow negative' [negatively geared] and as such may cost you around \$20-50pw. Therefore you'll need an alternative cash flow source to service this shortfall until your rental returns increase - this could be your PAYG income, a couple of 'cash flow positive' properties you buy, and/or income you've generated from investing in cash flow based investments [ie. managed funds]

Our Investment Plan Calculator will tell you 'what' you need to do in order to achieve your desired passive income. [Note: In the example below we have assumed that the investor has sufficient income to service 10 capital growth properties worth \$260,000 each.]

INVESTMENT PLAN CALCULATOR [*Example]

Year 1	<input type="text" value="\$260,000"/>	Year 11	<input type="text" value="\$520,000"/>
Year 2	<input type="text" value="\$260,000"/>	Year 12	<input type="text" value="\$520,000"/>
Year 3	<input type="text" value="\$260,000"/>	Year 13	<input type="text" value="\$520,000"/>
Year 4	<input type="text" value="\$260,000"/>	Year 14	<input type="text" value="\$520,000"/>
Year 5	<input type="text" value="\$260,000"/>	Year 15	<input type="text" value="\$520,000"/>
Year 6	<input type="text" value="\$260,000"/>	Year 16	<input type="text" value="\$520,000"/>
Year 7	<input type="text" value="\$260,000"/>	Year 17	<input type="text" value="\$520,000"/>
Year 8	<input type="text" value="\$260,000"/>	Year 18	<input type="text" value="\$520,000"/>
Year 9	<input type="text" value="\$260,000"/>	Year 19	<input type="text" value="\$520,000"/>
Year 10	<input type="text" value="\$260,000"/>	Year 20	<input type="text" value="\$520,000"/>

Assumptions: The property bought in year 1 for \$260,000 has a mortgage of \$208,000 [80% of its value]. In year 11 its value has doubled to \$520,000.

Unlocking Your Passive Income.

New value	<input type="text" value="\$520,000"/>
Refinance @ 80%	<input type="text" value="\$416,000"/>
Pay out loan	<input type="text" value="\$208,000"/>
Available Equity	<input type="text" value="\$208,000"/>
÷ by 52	
Income per week	<input type="text" value="\$4,000"/>

The year 2 property will double in value by Year 12, the Year 3 property by Year 13 and so on it goes. This means that every year you will be able to draw down \$4,000 each week in 'equity income'.

Analysis...

The key to the above investment plan is to 'refinance' each property after it has had 10 years worth of capital growth. The problem with 'selling' an investment property is that you no longer have the asset and so miss out on the capital growth in the next 10 years and the 10 years after that. The other downside is that you will have to pay capital gains tax if you sell and this will reduce your overall profits which would require you to buy even more property to build the same level of income. Instead, when you refinance the property after 10 years you are able to draw out the capital growth or equity that has built up. It is true that you are increasing your mortgage and in addition your loan repayments, however, as the property is tenanted you will be receiving rent to offset your increased repayments. Remember, not only has your property increased in value but so has your rental income. The best part is that when you refinance, the money you release is borrowed money and therefore is not subject to tax.

The goal of the above example is to buy one property worth \$260,000 each year, for a total of ten years. You could however, buy one property worth \$520,000 every two years and still achieve the same result or even buy one property worth \$870,000 every five years. In fact, it doesn't matter what combination of property you buy as long as you develop a plan and stick to it!



Do you currently have an investment business plan or are you planning to fail?

If you stopped work today and if you did not change your lifestyle in any way, how long could you live off of your current investments and savings?

- ↔ Forever
- ↔ For the next 10 years
- ↔ For the next 5 years
- ↔ For the next 1 year
- ↔ For the next 3 months
- ↔ For the next week

The Facts.

[Source: ABS Census, ATO]

What are you currently earning?

Did you know 70% of adult Australians earn less than \$60,000 per year? In fact only 8% of adult Australians earn more than \$100,000 per year, while just 2% earn more than \$208,000 per year or \$4,000 per week.

What income will you need when you retire?

A massive 71% of adults Australians who make it to the age of 65 live on \$400 per week or less, dependant on the pension or their families. Only 6% of Adult Australians who make it to 65 earn \$1,000 per week or more!

Just to survive these days you require at least \$400 net per week, that's approximately \$33,000 gross per year. Using the Net Asset Calculator highlights the fact that you would still need \$500,000 in net assets [cash, shares, property] returning you 5% per annum [before tax] to achieve a \$400 per week income.

Why do 94% of Australians aged 65 retire virtually broke?

There are the usual suspects; too much bad debt or consumer debt, mistaken belief that their superannuation and/or the pension will sustain their current lifestyle, or that their debt free home is a large enough asset to fund their retirement. One of the major reasons people retire broke is that they have simply never spent the time to build an investment business plan. The fact is that some people are just too lazy to start, others start too late and most just don't bother to think about it until it is too late.

Where to from here?

The aim of this investment business plan builder is to help you build a simple plan of 'what' you need to do. If you are interested in learning exactly 'how' to build an investment property portfolio then you should consider learning more about property investment and finance at one of our free seminars - visit www.urbantechgroup.com.au/seminar

LEARN HOW TO FIND, BUY, INNOVATE AND PROFIT FROM PROPERTY INVESTMENT!

If you haven't done so already please download and review our RE-Search Kit as it will help you gain a very sound understanding of property research and due diligence. However, before you rush in and buy an investment property you should consider working with a professional.

So how can we help? There are 2 main ways we can help you find, buy, renovate and profit from property;

1. Do it Yourself: We can *teach you* how to find, buy, renovate and sell properties for maximum profit through our flagship 2-Day Renovation Workshop and Field Trip. This is ideal for people with some property experience or those who have a desire to tackle things by themselves but lack the knowledge, skills or contacts required.

2. Get us to Help: We can *help you* find, buy and renovate property via our Buyer Training and Renovation/Project Management service. This is ideal for people who are time poor or for those that still lack the confidence to get started or go it alone.

***Special Bonus - \$500 Service Voucher:** To reward you for completing the Investment Business Plan Builder we would like to give you a \$500 Service Voucher redeemable towards our Buyers Agent or Renovation service fees. For more info or to redeem your voucher call 08 8451 1500 or visit www.investor.urbantechgroup.com.au



Use the following tables to create your own investment business plan.

What's your current financial Position?

- Broke \$400 net per week
- Just getting by \$500 net per week
- Moderately secure \$600 net per week
- Independent \$1000 net per week
- Financially free \$2000 net per week
- Wealthy \$4000 net per week

FINANCIAL GOAL CALCULATOR

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=	<input type="text"/>	[E] yearly investment/savings required
÷ 52	<input type="text"/>	[F] weekly investment/savings required

To build a passive income of per week you must build a net asset base of
In order to build this asset in years you would have to save per year.

INVESTMENT PLAN CALCULATOR

Year 1	<input type="text"/>	Year 11	<input type="text"/>
Year 2	<input type="text"/>	Year 12	<input type="text"/>
Year 3	<input type="text"/>	Year 13	<input type="text"/>
Year 4	<input type="text"/>	Year 14	<input type="text"/>
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Year 6	<input type="text"/>	Year 16	<input type="text"/>
Year 7	<input type="text"/>	Year 17	<input type="text"/>
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Assumptions: The property bought in year 1 for has a mortgage of [80% of its value]. In year 11 its value has doubled to

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New value	<input type="text"/>
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Pay out loan	<input type="text"/>
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÷ by 52	<input type="text"/>
Income per week	<input type="text"/>

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