



PROSPA
PROPERTY
ADVISORY

First Home Buyer to Fortune

- the Five Step Guide -



**Did you know there is currently \$40,000
of Government Grants available to
eligible First Home Buyers?**

**Are you wanting to grow a portfolio
of investment properties but not sure
where to start?**

**Are you determined to get ahead of the
pack and create an enviable lifestyle?**

**"Our First Home Buyer to
Fortune, 5 step process
will help you to work less
in the future, have more
money and live life on
your own terms!"**

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Introduction

Welcome to our new Guide, 'First Home Buyer To Fortune – The 5 Step Success Guide'.

In this guide we show you how to go from first home buyer, to owning a multiple property portfolio and start on your quest to accumulate a fortune!

There are 5 essential steps in this Guide. We need to emphasise however that a couple of these steps are more important than the others – so you definitely need to get these one's right! We will highlight the 'super important' steps for you in this Guide.

This is free information and a system you can try to implement yourself – if you choose. We understand some people prefer to go it alone, which is understandable. The important part is to get each step of the process right.

There are also the smart people, who understand the importance of getting this process right. After all, you only have one chance to claim the First Home Owners and Builder Grant, so why mess up a \$40,000 opportunity by cutting a few corners?

We have a highly experienced home finding team, dedicated to sourcing some amazing 'off-market' property opportunities that are not available to the general public. We can also help you build the right property if you've found the right block of land.

These services are available to the 'smart people' free of charge – make sure to check out our offer on the final page of this guide.



Hi there!

I'm Adam Hindmarch, Managing Director and Principal Strategist at Prospa Property Advisory. I will be personally helping you through the First Home to Fortune process and getting you on the path to success with property investment.

Prospa Property Advisory is a team of fully licenced, qualified and experienced property investment experts. We are committed to creating amazing lives for our clients through smart property investment.

We love helping people just like you get on the path to financial certainty and it is our mission to help you achieve home ownership faster. We would love nothing more than to see you start out as a first time property investor, and to later assist you in buying your second and third properties – and more!

Our advisors are all QPIA's (Qualified Property Investment Advisor), accredited with PIPA (Property Investment Professionals Australia), which means you are dealing with trusted professionals. We are a team of highly experienced property investment mentors and have helped hundreds of people, just like you, on the path to financial certainty through property investment.

So, if you're looking to grow a portfolio of investment properties and create a comfortable future, you're in the right place! Let us guide you through some easy-to-follow steps so you can create your dream lifestyle and live life on your own terms.

Adam Hindmarch - QPIA
Qualified Property Investment Advisor

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PROFESSIONALS
OF AUSTRALIA

PIPA

Is this strategy right for me?

First of all, we want to make it really clear who this Guide is for – because it's certainly NOT for everyone.

This Guide is about building wealth and setting yourself up for the future. It is about helping you own two or three, maybe even five investment properties in the future. This will become a portfolio of properties that puts serious money back into your pocket, allows you to work less hours and provides the flexibility to live life on your own terms.

This program is for the smart people. Are you one of them? Wanting to get ahead and create a better life for yourself? Maybe you're a bit of an entrepreneur? Or, you've seen how your parents have done things with buying a home and want to find a smarter way?

We will be upfront and say that this will take some commitment to achieve. It will mean not buying your dream home in the beginning – and delaying some gratification. But it will put you on the path to buying the home of your dreams in the future and hopefully putting you in a better position than you ever imagined.

Does this sound right for you?

If you're not sure, then let's look at who this program is not for.

This Guide is definitely not for somebody who is looking to buy their first home, live

there for eight to ten years and get into a comfortable lifestyle, without wanting to move forward.

And please, don't get me wrong. There is absolutely nothing wrong with wanting to be comfortable.

We just need to be clear who this program is for... and who it's not for!

We are currently in a very unique situation where the Government is offering first home buyers up to \$40,000 in Grants, so the smart people will look to make the most of this opportunity. If this is you, then please read on.



The \$40,000 Free Kick!

There are currently some amazing opportunities for First Home Buyers with Government Grants. These Grants form the basis of the strategy outlined in this Guide.

The first part of the \$40,000 'Free Kick' is the First Home Owners Grant, which provides \$15,000. This is available to eligible first home buyers who purchase a brand new property. This can be a House & Land Package, where you buy the land and enter a construction contract to have a house built. Or you can buy a brand new property, such as an apartment or townhouse 'off-plan.'

The second part of the \$40,000 'Free Kick' is the Home Builder Grant. This was announced in June 2020, where the Federal Government is offering a \$25,000 Grant for the construction of a new home.

The Home Builder Grant is only being offered for a limited time and forms a large part of the 5 Step Success Guide. An additional \$25,000 in your pocket is a huge benefit, so it is important to act quickly if you want to take advantage of this amazing opportunity.

We encourage you to act quickly because we are already seeing unprecedented demand for housing which qualifies under the scheme.

Step 1

First Home Not Forever Home

Now that we've established there is a \$40,000 free kick on the table from the Government, we need to look at the process and how to get started.

The first, and a 'super important' part of the 5 Step process relates to the home you're about to build or buy. It is imperative that you get this part right, or the whole process could fail. **Prospa Property Advisory can definitely help you with this.**

This will be your First Home, Not Your Forever Home. There's a very big difference!

In fact, this property will actually become your first investment property, which is why we emphasise getting this part right. You need to approach this purchase with an investor mindset, rather than this being the home you will live in for the next 5 – 8 years.

This means you are probably not going to be living in the dream location, or even the suburb you grew up in to start with. You may also need to forego some of the creature comforts you've had living at home. It is more important that this property is right for your future tenants, rather than having every feature that you want in your 'forever home' – it is a totally different mindset.

So, how does this work?

Well, you're going to buy this property utilising the \$40,000 in Grants that were previously outlined. You will temporarily live there for the first 6 – 12 months to satisfy the conditions of the Grant, which state that the property must be your personal home.*

Following this time period, you will actually move out to rent somewhere else. This could mean sharing with friends in a beachside suburb or maybe even renting an awesome, inner-city apartment. Or if you really want to get ahead, move back in with your parents and consolidate on your savings... sorry parents! This is called 'Rentvesting.'



What is Rentvesting?

Rentvesting is where you rent a property in the location that suits your lifestyle, while you own rental properties that help to achieve your long term goals. This could be renting a beachside share-house with your partner or friends, or even living in a CBD apartment with everything at your doorstep. This way you maintain an amazing lifestyle, while your investment properties do the 'heavy lifting' to achieve your financial goals. That is, working less, building wealth, retiring early or just doing life on your own terms.

So why would you become a Rentvestor?

Because along with building wealth and equity (explained in Step 2) much faster than you would by living in your property, there are some amazing tax benefits with owning investment properties.

You receive a number of healthy tax claims on expenses such as interest payments on your loan, any maintenance expenses, council rates, landlord insurance and rental management expenses. This helps to put some serious money back in your pocket

Even though you are still a tenant, if you are paying a similar amount of rent (or even slightly higher) to what you are receiving from your rental properties, you are streets ahead. This is the smart way to achieve home ownership, not the hard way that your parents probably took!



So, as you can see it is very important to buy the right property at the start. We will discuss this further in Step 3.

It means removing the emotion, thinking like an investor and getting the right advice on what makes a great rental property. It also means potentially living somewhere for 6 – 12 months, that is not your ideal location. As we outlined previously, this process is not for everyone.

So, ask yourself the following: are you willing to have some short-term inconvenience to kickstart the growth of your property portfolio? Are you the type of person who wants to get ahead and be smart about investing?

If so, please keep reading!

**There are some important parts of the First Home Buyer & Home Builder Grants that need to be adhered in order to comply with the conditions. Please get in contact with Prospa Property Advisory or the relevant administrative body to discuss your eligibility before purchasing a property, to ensure you qualify.*



Step 2

Getting the Finance Right

When looking at the best home loan, most first home buyers will look purely at the interest rate rather than considering other options with the loan. Which, if you're going to be living in this house for the next eight to ten years (and not trying to get ahead like we are outlining in this Guide), then this is a definite consideration.

But, what we know from Step One is that our 'first home' is actually going to become our first investment property. We therefore need to put our business hat on and look at the loan from an investor perspective, not as an 'owner occupier.'

This means enlisting the right professionals on your team. We recommend that you speak to a finance broker or bank lender, who specialises in investment lending and understands the considerations that you need as an investor. You're going to be moving out of this property after living there for 6 -12 months, so you need to make sure the loan structure is right for investment purposes.

Getting your finances right could include looking at an offset account, which could see you paying less interest over the life of the loan. If you have the ability to make additional repayments you may be better putting these into an offset account, rather than making additional repayments on your loan. This is a great strategy to save the deposit required to purchase your second investment property!

You could also look at a fixed rate loan where the interest rate is locked in for a set period of time, anywhere from 1 to 5 years. But some fixed rate loans do not have an offset account available and actually have limits on the amount of additional repayments you can make. This is not the ideal situation for our 5 Step process.

Our finance strategy is to put you in the best possible position to purchase your second investment property in the shortest time possible.

Your Second Deposit

Just as you saved a deposit to buy your first home, (which will become your investment property!) you also need to save up a deposit to purchase your second investment property.

There are two considerations here. The first is accelerating your savings to grow your deposit as quickly as possible. The second is to build up equity in the first property you've purchased, which is why you need this to be the right 'first home.'

Equity is the difference between the property value and how much you owe on the property. For example, if you purchased your first property for \$400,000 and owe \$340,000 (because you saved up a deposit and received \$40,000 in Government Grants), you have \$60,000 in equity.

Having said that, banks will not allow you to access the full amount of equity in your property. Depending on the circumstances you may be able to access 90% of the equity in the property – but there are other considerations such as Lenders Mortgage Insurance (LMI), which are best discussed with Prospa Property Advisory in person. In some cases, we believe there is a distinct advantage to paying LMI when growing your property portfolio. But as always, this decision is based on your personal circumstances and you need to get the right advice.

As you can see here, there is a very close link between your property journey and your finance journey. This link is especially important when trying to accelerate the growth of your property portfolio because you will need to effectively 'rinse and repeat' these fundamental steps, to buy your third and subsequent properties.

There are a number of little tips and tricks which will help you get ahead here – and your bank may not always discuss these strategies with you. And we are not talking about doing anything illegal, unethical or dodgy! We are talking about using the right structures and processes that work to your maximum benefit.

If you are not sure that the broker or bank you have spoken to are the right professionals for you, please reach out. Prospa Property Advisory partners with a number of high performing, investment lending specialists who know how to put you in the best position and grow a property portfolio. We'd be happy to put you in touch.

Step 3

The Property Fundamentals

This part of the process is closely tied to the concept discussed in Step One – it's your First Home Not Forever Home! The focus needs to be on what your future tenants will want and need, not what currently suits your lifestyle needs.

As we know, you will only live in this 'first home' for a fairly short period of time in order to satisfy the requirements of the Government Grants. So temporarily living in a property that isn't 100% right for you shouldn't be a big deal, especially if it acts as a launchpad to growing a successful property portfolio.

The main factors you need to consider with this property are capital growth and rentability. That is, what will make the property go up in value and what will make it appealing to tenants.





The Location

You've no doubt heard the real estate saying: Location, Location, Location!

Getting the location right is one of the biggest decisions, which is often determined by your budget as a first home buyer. After all, some experts claim that over 80% of the property's capital growth (i.e. going up in value) comes from the location, rather than the property itself – so you need to get this part right.

A strong consideration is being located close to amenities such as shops, schools, employment zones, sporting and recreation facilities. Anything which makes it easier and more attractive for your future tenants to live comfortably and want to stay in that location.

Easy access to quality transport is another consideration. The location does not necessarily need all of the abovementioned amenities at its doorstep. These amenities should however be easily accessible by either private or public transport. This will make it very appealing to your future tenants.



The Property

Once you've identified the location, the second fundamental is the property you buy or build.

At Prospa Property Advisory we like to see some 'dirt' underneath your investment property. That is, we recommend looking at either a family style house & land package, or a good quality townhouse. We tend to avoid apartments in the CBD as they do not always experience the same capital growth as other properties. Again, as previously outlined 'rentvesting' can provide you with the opportunity to live in a CBD apartment if that is your preference, while you invest wisely elsewhere.

And remember, if we go back to Step Two, we really want to be building that equity and having the property going up in value to help create a deposit for the purchase of our next investment property. This is a really important part of the process.

This decision on what property to buy needs to be balanced against your budget, the rent and tax deductions the property generates, along with your personal circumstances.

*Prospa Property Advisory
can provide you with
recommendations that are
tailored to your circumstances.*

Step 4

Find the Right Builder

As we know, the full \$40,000 in Government Grants are only available for the construction of a property, not for buying second-hand properties.

This means finding a suitable house & land package or 'off-plan' townhouse that can be built in accordance with the Home Builder Grant guidelines. And as we have previously stressed, it's best to avoid apartments in large complexes for the First Home to Fortune strategy.

There are some fairly strict criteria to qualify for the \$25,000 Home Builder Grant. So, it's vital that you get everything right here... this is one of the 'super important' parts of the process.

The Home Builder rules say that from the time of signing the contract, the builder must start the process of construction within a three-month period. This is where things get tricky.

What we do know, is that builders all operate in different ways and many may not be equipped to meet these requirements.

For example, some builders may put all of the sections of construction out to tender with different trades. This process can often take more than 3 months to complete, while the builder receives the quotes from the numerous trades and suppliers involved, then decides which quotes they will accept.

Further to this the builder needs to have specific tests done on the site you have selected, to determine the soil type and other attributes. This determines the type of concrete footing/foundations and the engineering specifications required on the home. From there, the builder can then provide you with a 100% fixed price contract.





As you can see, there is quite a bit of work which goes on behind the scenes before a contract is ready to be signed – and potential for timeframes to blow out drastically. So, if the builder does not have everything ready in time, this could result in you missing out on the \$25,000 Home Builder Grant!

And while the sales staff at a builder's display home might make all the promises in the world, they have very little, if any control over the commencement or any other parts of the process. Their job is to entice buyers into signing a contract, not coordinate construction.

There are however many builders who operate in a manner which will fit with the three month timeframe required for the Home Builder Grant. Some of these builders will have done their due diligence on the location and can provide 100% fixed price building contracts in a short time for specific properties.

Thankfully, Prospa Property Advisory has access to a number of builders with packages that fit within these requirements and will attract the full \$40,000 in Government Grants.

Why take the risk?

If you would like to arrange a no cost and no obligation strategy session, please get in contact with us sooner rather than later. The Grants are only available for a limited time period, so don't miss out!

Step 5

Follow us on Socials

This may sound strange, but Step 5 is to follow us on Social Media.

And no, this is not a cheap grab for followers and likers! It's because we are constantly giving free tips about property investment on these platforms.

Now, remember you're actually becoming an investor as part of this process so it makes sense to learn as much about property investment as you possibly can.

As part of educating our clients we have the **'Property Mentor Minute'** segment, which is a short video posted weekdays to our Facebook and Instagram accounts – or on Adam's LinkedIn account.



Our Free Gift To You!

Prospera Property Advisory specialises in sourcing brand new properties around Australia. We currently have access to hundreds of approved property packages around Australia, highly suited to the First Home to Fortune strategy.

We would love to help kickstart the growth of your property portfolio. So, we are offering 25 free places on our First Home to Fortune Mentoring Program – this is a huge saving of \$1,450.

This gives you:

- **2 x 1 hour property strategy & implementation sessions** with one of our experienced QPIA's (Qualified Property Investment Advisor).
- Access to our exclusive selection of off-market property opportunities, most of which are not available to the public.
- **2 x finance coaching sessions with our property investment lending specialist partners.** This will determine your purchasing budget, best loan options and investment loan structures.
- Ongoing support through the purchase and construction of your property.
- All paperwork for the First Home Buyer & Builder Grant completed for you.
- Exclusive offers on rental management for your investment – when you become a landlord!
- **Lifetime free access to Prospera Property Advisory property investment mentoring.**

Places are strictly limited on this offer, so it will be first in best dressed.

As you've learned, there are currently \$40,000 of Government Grants available to First Home Buyers who build a brand new home, whether it be a House & Land package or an off-plan townhouse or apartment.

We know that the smart First Home Buyers will take advantage of this massive opportunity and kickstart their property portfolio.

Are you going to be one of the smart people?

To book your place in our First Home to Fortune Mentoring Program please click here.

Book your session



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