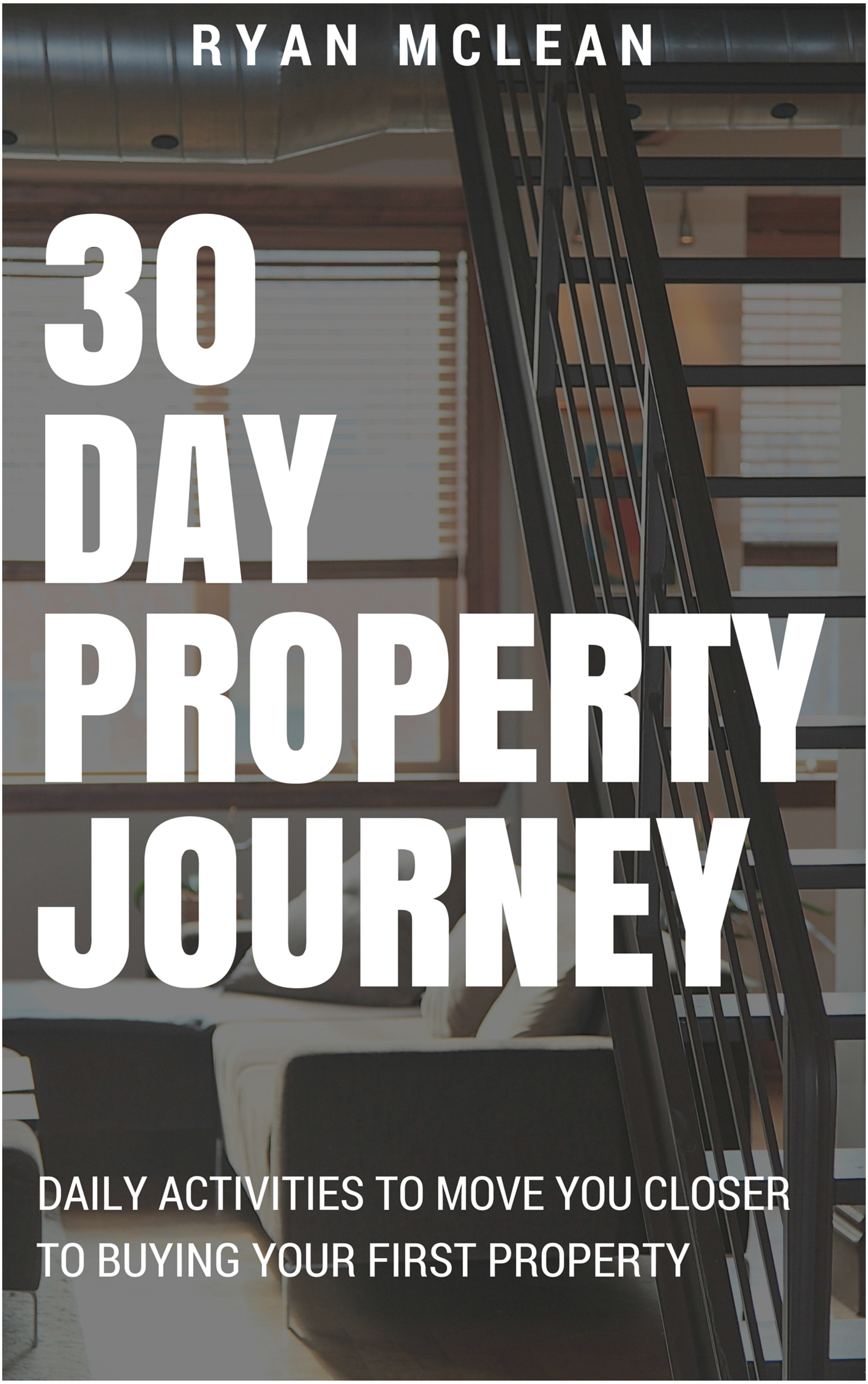
RYAN MCLEAN
30
DAY
PROPERTY
JOURNEY
DAILY ACTIVITIES TO MOVE YOU CLOSER
TO BUYING YOUR FIRST PROPERTY

Introduction

Hey and welcome to the 30 Day Property Journey.

My name is Ryan McLean and I will be your guide for the next 30 days.

Something that I have found through running one of the most successful property blogs in Australia is that a lot of people are held back from buying a property due to a lack of confidence and a sense of overwhelm. There is just so much you don't know and so much you need to know that people get stuck, frozen in place like a deer in the headlights.

The aim of the 30 Day Property Journey therefore is to break down the big task of buying a property into smaller manageable actions. Each of these actions can be done in a single day and will not only boost your confidence but will slowly move you towards your goal of buying a property.

It is my hope that after you read this ebook and complete the tasks in it you will feel more confident when working with real estate agents and looking a potential property deals.

It is also my hope that you will feel the path towards owning a property is an achievable one for you and that after you have completed these activities you keep working towards your goal of buying a property.

I wish you the best of luck in your property journey and I am so grateful to be a part of it.

For More Information On Buying A Property

If you want more helpful information on buying a property check out my other products.

The Essential Guide To Buying Your First Property In Australia (ebook)
In this ebook I identified the 21 major steps you need to take if you want to

buy a property in Australia. Minimise overwhelm by knowing exactly what the next step in your property journey is and focus on completing that step. You don't have to be in the dark any longer, this ebook will give you clarify into the buying process.

Property Tools (online software)

Before you purchase a property it is important to understand how it will affect your bottom line. Will it be positively cash flowed and put money in your pocket every month or will it cost you money every month (and how much). This online tool will help you calculation the estimated cash flow of any property in seconds.

Simply enter the purchase price and rental income of a property and get an instant estimate. You can then enter more details to get a more accurate result. A must have tool for property investors.

On Property Plus (membership site)

If you are interested in investing in positive cash flow property in Australia but don't know where to start then this is the resource for you.

Lessons on how to find positive cash flow properties yourself and a new positive cash flow property listed (with full details) every single day. It's the easiest way to find positive cash flow properties.

Plus I have many more ebooks and courses in the pipeline so stay tuned to OnProperty.com.au for details about those.

Table Of Contents

How To Use This Ebook

This ebook is designed to do 2 things

1. Teach you
2. Inspire you to take action

Each chapter contains 1 activity that you can do to boost your confidence and move you closer toward your goal of buying a property.

While each task is designed to be completed 1 day at a time, getting you in the habit of doing a little bit each day you can actually work through this ebook at your own pace.

Fly through the book as fast as you can or take 12 months to work your way through each task.

This book is designed to help YOU! And as everyone learns differently use this book to learn the way you feel most comfortable.

And I love feedback, so if you have any feedback or testimonials please email me ryan@onproperty.com.au. I read and respond to every email I get.

Day 1: Finding Your Financial True North

Finding your financial true north is the first step you should take as an investor. In order for you to become successful you need to know what success looks like.

If you have never heard that term before don't worry I invented it. You are going to get some clarity into what your financial true north is and where you want to go financially.

Your "financial true north" is a long-term vision or long-term goal of what you want to achieve financially and what you want your life to look like.

You Probably Don't Want The Life You Think You Want

So you might go out and say, oh I want to be a billionaire. But if you look at the billionaires in the world you can see that they actually work really hard.

Richard Branson has hundreds of companies, the Virgin Brand is massive. Bill Gates started and ran Microsoft and worked himself to the bone for many years.

These guys have work insanely hard and are insanely smart and is that a lifestyle that you really want? To be working full time to be hustling, grinding it out in order to make this money? Chances are, that's not for most of us.

A lot of us probably want to spend that time with our friends and family. We want to have the time to do the things that we enjoy. Yes we want to pursue a life and a career that is going to make a difference in the world, but are we going to do it at the level of a billionaire? Probably not.

So it's important when setting your financial true north to be realistic about what you want to achieve and what you want your life to look like.

The Easiest Way To Set Your First Financial True North

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I found the easiest way to set your financial true north is to actually look at the income that you're generating now.

Chances are you live a pretty good life. You can pay your rent, you've got some spare time on the weekend, you've got enough money to buy yourself a computer or an iPhone or some sort of fun device like that.

I found the easiest way to set your financial true north is to simply take the income you earn now and aim to then turn that into passive income.

So for me, my financial true north is to achieve $60,000 in passive income which works out to $5,000 per month.

Your Financial True North Will Change Over Time

Your financial true north will probably change over time because at the end of the day once you have achieved this passive income or financial freedom you probably are not going to want to stop there.

For me, when I achieve $60,000 in passive income, yes I'll technically be considered financially free. But that will the time when I can quit working for the sake of working and I can look at other ways of generating income and growing that income.

Consider The Lifestyle Your Want…Realistically

It's important when considering your financial true north to also look at the lifestyle that you want.

Do you want to be working hard?
Do you want to be not working at all?
Do you want to do some part time work?
What exactly do you want your life to look like?

For me I want to earn $60,000 in passive income. I do want to continue working a bit on the side so whether that be working on my properties or working on other businesses that's fine. What I don't want is intense work levels (eg. working 12-hour days, not having enough energy to spend time with my kids or not having the mental focus to really be there for my wife). That's something that I want to avoid.

I know there are property deals out there where you can develop property and bring in builders and project managers and you can make good money out if it. But that's not something I really want to pursue because that's doesn't match up with the lifestyle that I'm going for.

I love the fact that you can purchase a positive cash flow property and that it generates a passive income from the get-go. You can spend some time and go in and do some renovations on it to bring up the value or to bring up the rental income. But then you can leave it and just let it do its thing and you can move on to the next thing.

This is the essence of finding your financial true north. Setting not just a financial goal but a lifestyle goal as well and deciding in the beginning the sorts of investments that will move you towards your financial/lifestyle goal.

So go ahead and think about your life and your financial true north and what you want it to be.

Again, be realistic and one of the easiest ways to do it is simply to look at what you are earning now and then just use that as a baseline for passive income that you want to achieve. But obviously everyone is different so choose your own financial true north whatever you feel is right for you.

Your Financial True North Will Change How You Invest In Property

One of the reasons that it's very important to choose your financial true north is that it's going to affect the way you look at property investment strategies and it's also going to affect the way you look at different types of investment properties.

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Like I just spoke about with development versus positive cash flow you can see that my true north has led me down the road of positive cash flow property and away from the really hectic sort of development lifestyle.

Even though there's great money in development and it could move me towards my financial goals of $60,000 a year, it doesn't really match up with the lifestyle that I want. So for me, my financial true north has really led me down one path and I'm guessing that is probably going to do the same for you.

Your financial true north becomes really important when you start looking at different properties that you might want to invest in.

You could begin to do the cash flow analysis and then ask "is this property actually going to move me towards my financial true north or is it actually going to take me on a side path?"

By having a financial true north as your guiding light you can really assess properties based on what YOU want to achieve financially and it means that the property you purchase is more likely to move you towards where you want to be in the future.

Not Having A Financial True North Can Lead You To Buy The Wrong Investments

I have seen so many people purchase property without giving any thought about what it's going to help them achieve financially or where they want to go financially. They then get stuck with that property and it actually holds them back from achieving their dreams.

They might own it and in five years time it hasn't really done anything and they haven't really moved forward even though they have spent all this money and purchased a property.

Understanding your true north allows you to assess properties better and allows you to assess financial strategies better so that you have a better chance of actually achieving something significant in your life.

* * *

Having a financial true north is a key step to moving towards purchasing property and being successful in the property market.

Day 2: Find Out How Much You Can Borrow

Finding out how much you can borrow is an important step towards buying a property. Without understanding exactly what you can borrow you might be wasting time looking at properties you can't afford.

Today we're talking about finding out how much money you can borrow so that you can look at houses and start researching properties that are in your price range.

Three Ways To Find Out How Much You Can Borrow

I'm going to go through three different ways that you can do this.

1. Use An Online Calculator (Not Recommended)

You do need to be careful with online calculators because they are never exactly accurate.

Banks have analytical calculations that they use to assess how much you can borrow but when it comes to the online calculators these calculations don't necessarily assess your situation in the same way. They generally only collect really simple information about you to give you a rough estimate.

That is never REAL PROOF of exactly what are you going to be able to borrow.

Things vary significantly from person to person. You may earn commissions which is going to affect your lending significantly. You may have been in your job for less than twelve months which again is going to affect your borrowing capacity significantly.

Who you are and what your situation is will affect your borrowing capacity greatly and the online calculators may not reflect this.

* * *

You can try these online calculators but again I would use them as a very rough guide and I would use either method number 2 which I'm about to share with you or method number 3 in order to find your real borrowing capacity.

2. Go To Your Local Bank (Also Not Recommended)

The second method you can use it to go to your local bank (or any local bank) to speak to them about loans and to get an estimate of how much you can borrow from them.

The reason I don't usually advise this method is that there are about 30 different lenders or more in the market today that could potentially lend you money. Depending on who the bank are will depend on how much money you can actually borrow.

Going to just one lender out of a total of 30 is not actually going to give you the full picture of how much you could actually borrow…because it's just one lender.

Again, because everyone is so different and each lender uses different criteria you really do need to get estimates from all of the lenders rather than just one specific bank.

A lot of people think that if they go to their local bank who they have their account with they are going to get a special deal, handshake under-the-table style. But the fact of the matter is banks are so big now this is rarely the case.

To them you are just a bunch of numbers in the computer that they analyse and you aren't actually a person that they care about. I'm sorry to break it to you but even if your bank manager loves you and it's a local guy that you've been going to for years the fact is he still needs to go through a computer program in order to test your eligibility and to see if you can get approved.

In terms of under-the-table deals and special discounts because you are a member of the bank, these instances are extremely rare and I definitely wouldn't count on them.

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3. Speak To A Mortgage Broker (Recommended)

The method that I recommend for finding out how much you can borrow is actually go and speak to a mortgage broker. There are about 30 different lenders or more in the market today that could potentially lend you money and a mortgage broker has access to all of these lenders.

Obviously this is going to be a bit more effort because you do need to go and meet up with a mortgage broker (or you can talk to them over the phone).

They can look at all the different lenders in the market and help you choose a lender that is going to give you the best borrowing capacity.

You can then see what you're borrowing capacity is across a bunch of different lenders and so you can know that with Lender A you might be able to borrow $400,000, with Lender B you be able to borrow $300,000 and with Lender C it might be $350,000 and so on.

Therefore you can get an average and an idea of what you're likely going to be able to borrow.

A mortgage broker will also be able to take into account things like how long you have been in your job, how you earn your money whether it's in commissions or whatever.

If you are self-employed you especially need to go to a mortgage broker because they will be able to advise you on whether you should go for a standard loan using your financial reports for the last two years or whether you should go for what's called a low doc loan where you basically don't have to provide as much documentation.

How To Find A Mortgage Broker

If you don't have a mortgage broker, the easiest way to find them is to simply go into Google and type in 'mortgage broker' and then put in your local area.

Try to find reviews about the mortgage broker as there are some really good brokers out there are some really average brokers.

Mortgage broker fees are almost always free (except for very complicated deals). So if a mortgage broker is trying to charge you make sure you look around at other brokers before coughing up any money.

For a list of the brokers I recommend go to OnProperty.com.au/mortgage

Beware Of Banks Checking Your Credit File

Another thing you need to be aware of when visiting your local bank is for them to check how much you can borrow they're likely going to do a check against your credit file. The more checks you have against your credit file the harder it will be for you to get lending.

By going to a mortgage broker they can tell you roughly how much you can borrow without actually checking your credit file which means your credit file stays cleaner and it's going to make it easier for you to get a loan. That's another reason why I always recommend method number 3 of going to see a mortgage broker.

So there are your 3 methods for finding out how much you can borrow.

1. You can use the online calculators but obviously take them with a grain of salt.
2. You can go and visit your local bank but again take that with a grain of salt.
3. Or you can go to a mortgage broker which is recommended

Once you know how much you can borrow you can begin moving forward, start looking at how much of a deposit you need to save, you can start researching properties in your area or researching properties in the areas that are in your price range.

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Having this knowledge is just going to equip you to do more research as you are more in tune and in line with where you're going financially and what you can reasonably achieve. There is no point in you looking at multimillion-dollar mansions if you can only borrow $200,000.

Let's stay within our means and stay within what is realistic because that at the end of the day is what's going to move us towards our financial dreams? It is all well and good to inspect million-dollar properties and dream of one day owning it but that's probably not going to move you that much closer to your financial dreams but looking at properties that are in your price range that you could afford that's going to be really helpful.

Day 3: Work Out What You Can Afford

Working out what you can afford (distinctly different from what you are allowed to borrow)will equip you to make a smart investment decision that is more likely to move you towards your goals.

Today we're talking about how to work out how much you can afford to pay for a property.

We talked yesterday about finding out how much you can borrow by either using an online calculator, going to a bank or using my preferred method which is actually speaking to a mortgage broker.

But (and it's a big but) just because banks will lend you money doesn't necessarily mean that's how much you can afford or that's how much you want to pay for a property. Let's do an activity today and work out how much we can actually afford to pay for a property.

If You're Purchasing A Home To Live In

The first thing we are going to look at is if you're purchasing a property that is going to be your home.

The second thing we're going look at is if you are actually going to invest and have a person renting that property.

Working Out What Sort Of Home Can You Afford

Let's assume that you are purchasing this property as your own home. The first thing you need to assess is how much your mortgage is going to be.

Your mortgage will depend on the purchase price of your property and will also depend on how much of the deposit you put down and as well as the other closing costs.

* * *

So take the full price you pay for the property.
Minus the deposit you put down
Then add closing costs like mortgage fees and lender's mortgage insurance

This will give you your full loan amount.

Now we need to work out our annual expenses.

1. Take the full loan amount and multiply it by the going interest rate (currently around 5%). This will give you the annual interest you need to pay

Now add in:

2. Maintenance – maybe $1000 a year.
3. Home and Contents Insurance – maybe $500 to $1000 a year.
4. Council rates – depending on your area that might be $1500 or $2000 a year.
5. Bank fees – Speak to your mortgage broker about how much these might be. I use $300 as a very rough baseline.
6. Water Rates – add in about $1000 a year for water rates depending on where you are.
7. Body Corporate Fees – if you are in a unit complex you need to find out what the body corporate fees are and you need to add that as well.

Add all of these 7 expenses together to get your total annual expense figure.

We then divide this combined figure (interest rates plus costs) by 52 to get our estimated weekly expenses or divide by 12 to get estimated monthly expenses.

If that figure scares you maybe it's too much and you can't really afford it.

If That Figure Is Too Large Start Again With A Smaller Purchase Price

Maybe you started at $400,000 and that's just a bit too much for you so go back start at $300,000 and see whether that's an affordable figure.

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Working Out What Sort Of Home Can You Afford

If you are actually going to purchase an investment property it's going to be a little bit different because what you need to do is you also need to take rent into account.

The easiest way to do it (which is going to be very rough) is to simply do the figures as if you were buying your own home to get a weekly expense figure. Then all we do is we simply take 80% of rental income and minus the expenses from that income figure.

Let's say all of our expenses come to $200 a week. Then let's say the property rents for $200 a week. Well we would take 80% of that which is $160 a week and we can see that there is $40.00 a week as a loss there ($160/week in income minus $200/week in expenses). That's a really rough way to do it.

For a more accurate method I have an online tool you can use that does the calculations for you at a more granular level. Simply go to PropertyTools.com.au to check it out.

Does It Fit In Your Budget?

Now that you have calculated the expenses of a given property you need to work out whether or not you can actually afford it.

There are a few ways to do this.

1. Assume you can afford 33% of your annual income - Generally speaking most Australian's spend around 1/3 of their income on their accommodation. Does the cost of owning a property work out to less than 1/3 of your income?

2. See if you can live off the rest - Take your annual income and minus the cost of owning a property. What is left for you to live off and is that realistic for you?

* * *

3. Is it less than paying rent? - Compare the weekly cost of owning your own house to the weekly cost of renting. Is it more or less than you are currently paying.

4. Is it positive cash flow? - If you are investing in property positive cash flow means the property pays more in rental income than you are paying in expenses. This means the property pays for itself which should make it much easier to afford.

So that's basically how you work out how much you can afford.

What you want to focus on is what you can actually achieve today. What you really want to begin to work out is "Am I actually comfortable purchasing a property at this cost?"

What can I afford as my own home or what can I afford as an investment property?

By working out what we can afford we are ensuring that we're not looking outside of our price range then we are not wasting time thinking about and researching things that aren't actually going to be any use for us in the near future.

What you want to focus on is what you can actually achieve today? What you can actually do? What you can actually afford to buy?

Day 4: Create A Deposit Savings Plan

Saving a deposit can be a difficult thing to do. In order to succeed it is vital that you have a deposit savings plan that you stick to religiously.

Creating your deposit and saving your deposit is by far the number one reason people give me when I ask them what's holding them back from purchasing an investment property.

They all say either:

I don't have enough money to save a deposit or it's just too hard to save a deposit in today's consumer culture where we spend more than we earn.

I'm not surprised that this is the case, saving your deposit is a really hard thing to do. That's why we're going to look at creating a savings plan for your deposit, and I'm going to provide you with some tips to help you along the way.

First Work Out How Much Deposit You Need To Save

The first thing that we need to do before we save a deposit is work out how much deposit we actually need to save.

You should have already worked out what you can afford to buy. If haven't done that go back and read finding out how much you can borrow and working out what you can afford to buy. So hopefully you have some idea at least of what you can actually afford to purchase.

What we need to do now is work out on how much money do we actually need to save. It's not a very difficult calculation.

Common strategies for this is saving either 20%, 10%, or 5% of the total value of the property that you're going to be purchasing.

* * *

Why Most People Try To Save 20%

The benefit of 20% is that you don't have to pay a fee that's called "Lender's Mortgage Insurance (LMI)". If you're below that 20%, the bank sees you as riskier and they require you take out insurance on that loan. Basically it's an extra fee that you need to pay or that gets added to the loan for the extra risk that the bank is taking.

For that reason a lot of people try to save the 20% rather than the 5-10%. However, I do suggest that you go into Google and you type "Lender's mortgage insurance calculator", put in your figures there and work out how much lender's mortgage insurance is actually going to be.

Lender's Mortgage Insurance Might Not Be As Much As Your Think

I was recently emailing back and forth one of my readers and he was saying that saving his deposit is holding him back because he does not want to pay lender's mortgage insurance.

But when he looked into how much lender's mortgage insurance would actually be, it was quite a lot less than he had anticipated. And so he then felt more comfortable to go ahead without a 20% deposit.

Saving Less Than 20%

10% is very common as well. If you're building a new property, then 10% is probably going to be the minimum you need.

5% deposit is the absolute minimum that you need to save unless you have some sort of equity loan (or a family pledge guarantor loan). Banks won't even touch you with a 10-foot pole if you don't have at least a 5% deposit.

SIDE NOTE: You may hear about 97% LVR loans but what these are is you providing a 5% deposit and then adding lender's mortgage insurance onto the loan. So the loan-to-value ratio goes down to 97%.

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You Also Need To Save Stamp Duty

The other thing that you're going to need to look at is saving stamp duty. Stamp duty is a fairly major cost when purchasing a property.

It's a duty or tax that you need to pay to the government when purchasing that property. Stamp duties vary from state to state and there often are some concessions available to first home buyers or concessions available to people who are buying a new build property or building a property on land.

To work out your stamp duty costs Google "stamp duty calculator" and you can get an assessment there.

An Example Calculation

Let's just do a quick calculation on a $300,000 property. We're going to save 5% of that $300,000 – that's $15,000.

Now let's say we're purchasing that property in New South Wales as an investment property. The stamp duty according to this online calculator is going to be roughly around $9,300. Let's round that to $9,000.

So we can see that while we need to save a $15,000 deposit we'll also probably going to need save around $10,000 more to cover stamp duty and then to cover our extra cost as well. That's $25,000 in total we need to save.

Step #1: Work Out How Much You Need To Save

The first step is to work out how much you actually need to save. If that number just seems too big and unachievable for you, then the next step would be to either lower the percentage deposit (eg. From 20% to 10% or 5%) or to start looking at cheaper properties.

Step #2: Create A Monthly Or Weekly Savings Target

Now that we've got our figure we need to create a savings plan and creating a savings plan isn't too difficult to do. The planning is easy but actually implementing it what's generally the most difficult thing to do.

The best way that I have found to do this is to simply take the figure that you've got (so let's use the previous example of $25,000) and then you work out how quickly you want to save your deposit.

In this instance, we want to save it in two years and one month to make it really simple. Twenty five months.

What you then do is take your total figure and divide it by the amount of months it's going to take you in order to save that.

In this case it will be $25,000 divided by 25 months, which means we'd need to save about $1,000/month.

Depending on how much money you make and your living expenses you may need to increase the time span or maybe you want to decrease the time span and really push forward and get it done quickly.

That's the simplest way that I have found to create a savings target.

There are tools on the internet that show you because you're going to be gaining 5% interest on money that you've saved, it might speed up the process a little bit. But what I found is that there are always setbacks when you're trying to save. Maybe one month, something comes up and you simply can't save that month. Therefore the time you would've gained through the interest will just be taken away. So I find it easier just to make the calculation simpler and just work it out based off savings without interest.

If you want to set a weekly target rather than a monthly target, you simply divide it by the amount of weeks that you have.

The Most Effective Savings Strategy: Pay Yourself First

Now that we've got a constant savings plan (a certain amount of money per week or per month) we need to work out how the hell we are actually going to save that. Truthfully to save a deposit, you're going to need to put in a significant amount of money on a regular basis. And for a lot of us, that's going to be extremely difficult to do.

Most people start by saying to themselves "Let's look at our budget, what can we cut back and what can we afford to save."

A better way to do it is to commit to actually saving that money every month up front when your pay comes in. It's simply like paying rent; you put that money away and you save it and then you live off the rest.

What If You Can't Live Off The Rest?

If you can't live off the rest, then the next step would be to work out how you CAN live off the rest by cutting down on the lattes or shopping at places like Aldi or something like that. Or how can you can earn more money so that you can afford to live.

Don't just say "We'll try and be tight, we'll try and be very budget conscious and whatever is left to the end of the month, we'll save."

Because the fact of the matter is something always comes up that you will need to spend your savings one.

We Aren't The Best At Saving Money, But It Works For Us

Me and my wife aren't the best at saving money. We'll see something on sale or we will get babysitting and then we want to go out for dinner and there goes $50. If you're going to try to budget and save the rest, chances are there's not going to be much money left over the end of the month, if any.

However, if you can put that money aside first and then work out a way to live of the rest by either living cheaper or by earning more money, then I find this a good way to try and save your deposit.

* * *

Me and my wife have successfully used this strategy to save our deposit. To save $5,000+ for private health cover when having a baby and to build up a buffer fund of over $5,000.

But it's not going to work for everyone, so you need to see if it's going to work for you.

Expanding Your Mind And Your Income

The reason that I find this so effective is that this strategy helps us to expand our mind and expand our reality.

Rather than just saying "I'll save whatever's left" you say "I AM saving this so how can I expand my income, how can I grow my life so that I can actually afford to save this and not go hungry or become homeless?".

It gets the wheels in your head turning and make sure really think about what you can do to save your deposit.

Tips For Saving Your Deposit

Now if you want some more simple tips on saving a deposit check out this article that I wrote called The 20 Ways to Save Your House Deposit Fast. There I go into more tips on saving your deposit.

OnProperty.com.au/save-for-a-house-deposit/

Day 5: Explore Ways To Generate Extra Income

Yesterday we talked about creating your deposit savings plans and today we'll explore ways to generate extra income.

One of the things that I recommend when looking at saving a deposit is saving the deposit up front. The first thing you do with your money as soon as you receive it is put it away as your deposit and then either work to live off the rest or make more money so you can live comfortably.

We talked about this in the last chapter so go back and read that if you haven't already.

What I want to do is cover some different ways that you can potentially earn extra income to save your deposit in the way you want or to increase your serviceability on properties so that you have more income and can invest faster by servicing more loans.

#1: Ask For a Raise

I am not a professional at doing this so I'm not going to go into great detail on it. However, I am well aware that people just don't get the raises that they deserve and companies are often so fixated on managing costs that they hold on to employees as long as they can, as cheaply as they can and very rarely give raises.

Usually if you get a raise it will generally only be about 2% or 3% to keep up with inflation. I will say that getting a raise for doing the same job that you've always been doing probably isn't going to happen.

In order to get a raise you are going to need to step up your game and do something that will differentiate you from other people in the workplace. A person that I consider the best to talk to about this subject is Ramit Sethi. You can find him at IWillTeachYouToBeRich.com and he actually has a course that teaches people how to ask for (and get) a raise.

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There have been a couple of times in my career where I've gotten a raise because I asked for it. One time the raise was pitiful and I was very upset. Another time I got a raise well above my peers because I was outperforming them in many areas.

#2: Change Jobs

The better idea that I think can work is to change jobs and get an increase that way. I find that when you are at a company you are limited in how much you can get. Larger companies especially limit certain roles that you have and how much they will pay you for your duties. And then in smaller companies, even if you get in at an entry role and work your way up the ladder they might still see you as that entry-level person.

By making the move often your skills are worth more in another company than the company that you are currently in. So explore the job market to see what's available.

Truthfully the more you earn, the faster you can advance your property career. Then you can grow your passive income and hopefully earn your financial freedom faster (and quit your job FOREVER).

I have also found that often when you go to jump ship your current employer will try to give you more money to get you to stay. This happened with me. My income was $30,000 at one job. I got another job offer that was $45,000 plus commissions so a potential $60,000 in income. I wanted to leave and my employer who was paying me $30,000 offered me $55,000 if I stayed!!! So a $25,000 jump in income for doing not much.

I didn't stay and I wouldn't really recommend that someone stay because the statistics show that if you stay after you have been offered more money generally you leave within the next 6 to 12 months anyway.

The same thing happened to my sister. She was offered an extra $15,000 when she got a new job and she ended up leaving as well. It just goes to show that you are probably worth more than they are paying you.

#3: Earn Commissions

To do this you could either go into a job where you have an effect on hitting the bottom line by saving money or the top line by making more money and therefore you can get the ability to earn commissions.

In my last job before I went into business for myself, I worked as a sales rep with a large pharmaceutical company and my income was about 60/40. That means that 60% of my income was a regular wage and 40% of my income was commissions (which I almost always made).

That was a great way for me to live off the income that I generated and I would use those commissions to pay off debt and save a deposit. I would get big lump sums once a quarter and these were much easier to save than regular monthly payments.

If you are in a role that's a service role and you don't actually have a direct effect on savings or on earnings then it's going to be hard to earn commission.

But if you are in a role that affect the top or bottom line and you are not currently getting commission then maybe you could try to organize a commission structure with your employer.

Before I was a sales rep I was in procurement. I was buying stuff and saving my company A LOT of money (hundreds of thousands of dollars per year). Because of that I was able to negotiate a small commission on those savings.

#4: Work a Second Job

I actually hate this strategy but it is possible that some people may like this option.

Working a second job on a Saturday or a Sunday can be good when you get double time. However I just find that I prefer to work smarter not harder or at least work on something that I'm passionate about rather than just working a second job you're not going to enjoy.

But if you don't have any other ideas on what you want to do then working a second job is another option to earn money.

Just make sure that you're saving that money from the second job or you got your deposit-saving plan in place and that second job is just to make sure that you can survive and live happily.

Basically just make sure the money from your second job isn't wasted.

#5: Start a Side Business

I love this idea of starting a side business. It's something that you can do in your spare time to earn some extra money.

There was a guy who used to come around to my parents' place back when I was a kid and mow the lawns. He actually worked in the oil refinery and made a decent income.

What he did he was build up this lawn business on the side by working in the afternoons after work or working on the weekends. Eventually it got to the point where he was actually making more money from his side business than he was from his "real" job.

Having a lawn mowing business or some sort of service business, where you can offer people a service in exchange for money, is a good idea. That's a great way to start up a side business.

#6: Do Some Consulting

This will especially be useful if you work in high level roles and have an immense amount of knowledge that would be valuable to other people's businesses.

I, for example, run my own business where I manage my own websites like OnProperty.com.au, TeachSpeaking.com, PodcastFast.com and a myriad of other websites. I know A LOT about internet marketing, creating web sites, social media and all that kind of stuff. Therefore I could potentially go out and offer consulting services to businesses who can benefit from that.

Back when I was a sales rep I did lot of trainings showing people how to sell more of my products. There was a potential for me to do consulting either in that industry or outside of that industry if I really wanted to. I could've helped businesses to help their teams be more passionate and sell more efficiently. I just had to package it up and sell it.

The idea is to offer something of benefit to other businesses and get them to pay you for it.

Obviously you need to be careful with your work and employment contract so that you're not breaking any of the rules when it comes to consulting.

#7: Start an Online Business

This is what I did with my time when I was working full time. I've started over 100 blogs in the last 10 years and I have just always been dabbling online.

But I got pretty serious when I started OnProperty.com.au which was previously called CashFlow Investor.

I started building that up as well as building up other sites. I now have an array of little sites that I built up by writing a few articles on them every so often.

By the time I left my job, I was earning around $1,000 per month in semi-passive income from these websites. $1,000 per month as a supplement to your job could go a long way towards your house deposit.

So starting an online business can be a great way to generate money on the side. I found that it's a more long-term strategy though, so if you want more money to pay the bills this month, it probably won't be the best strategy for you.

There's a big learning curve and figuring out what works for you can take a lot of time. For me, my strategy is much slower as well and the way I make money online is much slower. However, it's an option you can explore that can be fun on the side.

#8: Make Something and Sell It

You could either sell things online or at the market.

I've got a friend at the moment who's making do-it-yourself designer prints and she sells them in bulk. I helped her a bit with her marketing. I got another friend and his wife was an epic cook. She was the best when it came to baking and would sell her baked goods at markets and shops. Working one day, she would make about $500 or $1,000. They ended up eventually turning that into a full-fledged business by opening a shop.

So selling things like that could be a good idea. My favourite coffee is a chick called "Coffee Kate" and she's at the market once a week with amazing coffee. She must make so much money because there's always a huge line and she only works 1-2 days a week!

Personally, I can't really make anything besides websites. But making goods to sell online or at the market could be something to explore if you've got hands that can work and create sell-able items.

#9: Buy Items that Increase in Value

This is all about tweaking your consumer spending. Rather than constantly buying things that don't go up in value, consider buying things that hold their value or actually increase in value.

This is going to take a bit of work and you kind of need to be a collector in order for this to work.

* * *

Basically you shouldn't buy everything at retail price at the stores. Instead try buying things through second-hand sites like eBay or Gumtree and using your spending in such a way that you could then resell the items for the same or higher price in the future.

I just like the idea that you can change your consumer spending so you still get all the fun of buying something new and having something you to play with and all of that sort of stuff but then six months or 12 months down the track you can sell it and you can actually make a profit from it.

I remember we did this with our first pram. It was a Bugaboo which is a really expensive designer brand for prams and we paid about $600 for it. Although $600 sounds like a lot for a pram, bugaboo's brand is very expensive and the design that we got (the Bugaboo Bee) can go for around $1,000 brand new. But we bought it for $600, got it in good condition, used it for six months and then sold it six months later for $625.

So we actually got this pram, got to use it for six months and then sold it for more than what we paid for it!

Even though we didn't make a lot of money on it, we got all of our money back so it was like having a free pram for six months.

I have done the same thing with old game consoles. I have about $1,500 worth of old game consoles (Nintendo 64, Gamecube, PS2) and games that are currently retaining their value (and even slowly going up in value) so I could sell these if I needed to.

Basically this method is more of a way to pool your money into something that's sell-able than it is to really increase your income.

#10: Invest

I know you are trying to invest anyway in property but obviously you need to save a big chunk of cash before getting into the property market. So while you're saving that money consider investing it rather than just letting it sit idly and doing nothing.

Technically leaving it in a bank account is investing it but you are only going to get maybe 3% or 4% per year which isn't much. You could consider exploring other investment options. There may be things like the stock market. I know absolutely nothing about the stock market so I can't say much about that. But I do know some people make decent money day trading and other people make money trading the currency exchange.

I personally hate all of that stuff which is why I run a property blog. But it might be something that you would enjoy.

Another thing you could invest in would be businesses or online businesses. There is this website that I follow and really like called Empireflippers.com, they actually have websites for sale on there and websites generally sell for 20 times their monthly profit. So if you can work out the return on investment of that, you basically get your money back in twenty months if all goes well.

Obviously there are risks with that sort of investing. You need to know about online businesses before you jump into that. But that could be an alternate investment strategy.

There are so many other investment strategies out there but I don't really know much about them so I don't want to go into too much detail about it.

There you have it. Ten different strategies that you can explore with different ways to generate extra income on the side so you can save your deposit, invest and hopefully begin generating some passive income faster.

Day 6: Sell Unwanted Items

Selling unwanted items can be a great way to save your deposit faster and get you a little bit closer to buying your first property.

If you are following your saving plans you might need to access some extra money on the side to support your lifestyle and selling things can be a great way to get that extra money you need to survive.

How, Why and What You Should Sell

In this chapter I will discuss how you can do that, why you should do that and some things that you should consider selling.

If you have unwanted items around your house why are you keeping them when you could potentially sell them make a little bit of money?

If you have taken on the strategy where every single month you save your money up front and put the money away diligently and regularly, then you usually have two choices: live off the rest of the money or earn more money so you can afford to live off of the money that's left over.

So rather than adding money to the deposit you might want to actually put that money aside and have that as living money you can draw against.

You are therefore actually saving your deposit out of your income and then you are using the sale of your stuff to fund your lifestyle.

What To Sell

Old technology is something that you could try selling. You might have some old technology laying around. I personally have two old iPhones, an old PC, a PlayStation 2, and I even have an old fridge. Old electronics are great to sell as they retain some of their value and people are always looking to buy them.

* * *

Furniture can also sell really well or if you have designer clothes then that can sell as well. In my cupboard I have four country road bags. I think that these bags can sell for $60-$100 each brand new. I won't be selling mine because we use them when we travel but they would be good to sell for someone that needed to earn extra money.

So fashion and similar items can sell really well too. You should go through your house and just have a look at things that you are not really using anymore that may have some sort of value.

Where to sell

When it comes to selling these products there are some different things that you can do. Obviously there is the old-school garage sale but I don't really recommend that. I don't really think that people go out to garage or yard sales anymore. Even if people do come to the garage sale, what are the chances that you'll sell your items for a good price?

If you are really good at marketing garage sales then maybe you can do it but I think a better option is to actually list your items online.

The two most popular web sites to use are Gumtree.com.au and eBay.com.au. I used to sell all of my stuff on eBay but I've since moved over to Gumtree because I just found that there are so many problems with eBay (like people who are buying but not paying for the product).

However, there are still a lot of people on eBay. There aren't as many as there used to be but you can sell on eBay.

However, I would personally recommend using Gumtree which is a free listing site and that's the one I'm going to be discussing. If you want to sell on eBay though then you should go ahead and do so.

How to Sell

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You can find any video that will show you how to start selling online. Try going to YouTube and just search for “how to list on eBay.” You will get instructions and guides on how to do that if you don’t know.

With Gumtree I find that there are more people on it in Australia vs eBay and items will sell very quickly which makes it my favourite selling option.

I have listed stuff and sold out within an hour with someone who will come and pick it up. I have listed other stuff that sold within a day or two as well and so I found it very useful and very easy to sell items.

Gumtree is just a classified ads page so what you do is choose the category that your items are in (maybe it’s technology or maybe it’s furniture or something like that). You then write a title and you write a description.

If you are in the US then Craigslist is basically the same thing.

Title Your Post With Keywords

Now I want this next part to get through to you.

When writing the title of your item you need to put in there things that people may be searching. Try to use keywords that they might use.

If you’re selling a table then you have to consider what people will be most likely to search for when they are looking for a table. They might search dining table, they might search timber table or they might search rustic table.

Therefore what you need to do is try to fit everything into the title as much as possible because when people search for items, then it will help make you show up more often. For example:

Large Antique Rustic Wooden Timber Dining Table In Good Condition

People won’t read the title as much as look at the pictures but the title is important if you want to show up in the search results.

* * *

Then Add Good Photos

As I said above, people look at the pictures more than they read the title. So you need to have great pictures.

Have a great picture of the product that will show up in the search results and then share as many pictures as possible in your listing. The more pictures you have the more likely people are going to buy your product.

The Add A Description

A description simply talks about the product. Details about it, any issues it has or why it is so awesome.

You want to be detailed in the description but you always want to use the description to talk about why someone would love to buy your product. It's your sales pitch.

Tell Them Why You Are Getting Rid Of It

I find this to be very important. You can just say that you are downsizing so you need to get rid of it or you just bought a new table or whatever you want your explanation to be. You could say that it's been in storage for 10 years and you can say you're getting rid of it because you don't use it anymore and need to find it a great home.

People want to know that you're not getting rid of it because it's a piece of crap and it's broken and doesn't work. Therefore by letting them know that you are getting rid of it for a specific reason, it makes people feel more comfortable and more likely to shop with you.

Handle Inquiries

On Gumtree most people are actually going to text you so you should put your mobile phone number in there. I wouldn't recommend putting a home phone number in though. Just your mobile and your email address. Most people are actually going to text message you and tell you they're interested or ask for more information.

There will be some people that call you but most people are going to text message. Some people email as well, so make sure you're checking your email.

Then you just arrange a time for them to pick it up or they might pay for it through PayPal or they might just bring cash with them. You can work that out with the seller.

Just go around your house and look at the items that you have and the stuff that you don't need any more that is really just taking up space and gathering dust. See if you can convert that into a little bit extra cash.

My mother-in-law is moving house and she wants to get rid of a lot of old furniture that she didn't want anymore. At first she just wanted to take it and donate it which is very noble of her. But we helped her list her stuff on Gumtree. She got rid of a lot of furniture and stuff she didn't want and she actually banked over $1,000 in her items.

To be able to convert those items into $1,000 goes a long way towards your deposit. That's $1,000 that you don't have to save. That might take a month off of your savings plan or that might be a little extra kitty if you need that money for spending so you don't have to dip into your deposit.

Day 7: Give Yourself A Weekly Living Allowance

Giving yourself a weekly living allowance gives you the framework of a budget, but the flexibility your lifestyle needs. It can be a great way to monitor spending so you can successfully save.

Giving yourself a weekly living allowance does sound like something your parents did when you were a child.

Whether you spend it on food, toys or whatever is up to you. Giving yourself a weekly living allowance has proven to be a successful strategy that me and my wife have used. There are a lot of awesome savings blogs out there and articles about how to save and how to live frugally.

That being said I am not the 'go to' guy for living frugal. However, this is something that has been very successful to me and my wife and helped us really manage our spending and understand how much money we really have so that we could strive to live within that limit.

Are we always successful? Of course not, no one is perfect. However, this helps keep a lid on our spending, even when we do go over.

Calculate Your Income and Expenses

Having an allowance really helps us and gives us a framework to live our lives and to live our lives quite well.

The idea is to start by sitting down either by yourself or with your spouse depending on who manages the money. You might want to do it together (usually I would sit down and do the sums and then I would talk it over with my wife and say here is how much we make, here are our regular bills etc…).

Step #1: Calculate Your Income

First you need to calculate your income. I suggest calculating your monthly income, however you may want to work this out weekly.

You want to calculate based on AFTER tax income, as this is what actually goes into your pocket that you can spend.

Step #2: Calculate Your Constant Unavoidable Expenses

Next look at your monthly bills. What is a regular monthly bill that you have? For us, we have 2 mobile phones, internet, car insurance and weekly rent.

Write down all of those constants (things that don't change) in your life. Rent, electricity, internet, phones, car insurance are some common examples.

Work out how much these expenses cost you per month and deduct that from your income figure.

If you are using the strategy I talked about in Day #4 about creating a deposit savings plan, then you will also subtract the amount of savings you are putting away because that is a regular expense that you are paying on an ongoing basis so you have take that out of your earnings.

Step #3: Now You Have Your Living Money Figure.

After you subtract the regular expenses, you will get how much money you have left to live off of.

Now what you might want to do is divide that by 4 or 4.25 to get a weekly figure of how much money you're roughly going to have every week.

Step #4: Calculate Your Allowance

The next thing to do is to then decide is how much your living allowance is going to be after you've paid the bills and saved a certain portion of your money.

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Your weekly living allowance would include things like food, going to the movies, entertainment or going out to lunches. It also counts towards buying beers and coffee.

Doing this is going to give you a structure to where you have a certain amount of money to spend each week. The reason I find that this works over other savings plans and budgeting strategies that I've looked into is because it isn't complicated.

Other plans strategies I've looked at have you break down how much you spend on food, entertainment and fun on a weekly or monthly basis.

It would be really difficult for the average person to allocate a set amount of money into "fun" or "entertainment". Most of us don't live our lives like that, we live a lot more sporadically.

So by breaking it down into a set weekly figure at maybe $450 to $500 a week for a family or $200 a week for yourself you can have some flexibility about what you put that money towards.

For us, we live on the Gold Coast and everyone seems to holiday up here and so you might have people coming up to visit for one week. Rather than spending that money on a lot of groceries that week, the money can instead go towards eating out or doing something fun with the kids.

Based on what our living situation is like that week, we will adjust our spending accordingly.

If we've found that we have been spending too much then we really need to have a tight week. We will spend most of our money on things like groceries and we'll eat more at home and be more prepared for that.

Then all of sudden we get sick of eating at home and so we buy less groceries and we go out more often.

An Allowance Gives You Flexibility

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Our allowance really just gives us that flexibility to change our lives. We've got money there to spend however we want. Sometimes we spend it on groceries, sometimes the movies, sometimes on toys for the kids as it might be their birthday.

But the allowance also gives us a framework to work within so we can continue to save and move forward in our financial goals. So this has been really helpful for us in our savings and I hope that this technique could be helpful for you as well.

I just want to close by acknowledging that everyone is completely different. You might not be the same as me. I love simplifying stuff. I hate it when things are complicated so this simple strategy works for me but maybe it doesn't work for you. Maybe you like things to be more structured or more laid out so this might not be the best strategy for you.

But for some of you it might be a very good strategy and it is at least worth trying. So give it a go to see what you think and if it works for you then you've just created a way to manage your money easier with less stress.

Day 8: Share A Property Article With A Friend

Sharing a property article with a friend is a great way to engage with your learning and to be inspired on your property journey.

Let's talk about how to do this, why to do this and what you can get out of it.

The idea of this activity is two fold.

Get Motivated To Read Articles Yourself

Firstly sharing an article with a friend will motivate you to actually read some articles yourself.

The good thing about sharing an article with a friend is that you're actually going to have to do some reading and work out whether or not this article is going to be interesting to someone else and whether they are actually going to get something out of it.

So rather than just choosing any random article and sending it on you want to make sure that this article is going to add value for your friend. You need to think about them and their situation and how this might help them.

Read And Understand The Content More Deeply

Rather than just thinking about yourself and what you can get out of it this exercises forces you to think more deeply about the content you are reading.

Where To Find Property Investing Articles

My website OnProperty.com.au has over 500 articles that you can browse through and read. For a full list of every article check out the archives at OnProperty.com.au/archives.

* * *

My recommended buyer's agent Ben Everingham runs a great blog over at PumpedOnProperty.com

There are also the websites of the most popular property investing magazines. YourInvestmentPropertyMag.com.au, SmartPropertyInvestor.com.au, APIMagazine.com.au.

Other notable property blogs are: EverydayPropertyInvesting.com, PropertyObserver.com.au, PropertyCorrespondent.com.au and PropertyUpdate.com.au

There are so many different websites out there that you can check out and maybe you can find something that's going to be good for your friend.

Share A News Update Or A 'How To' Article

Great articles to share with people are either news articles or how to articles.

It might be something about the current markets. Eg. The RBA has just announced today (as I record this) that they are keeping interest rates at the standard rates so there is no increase.

Maybe you've got a friend who owns a house or an investment property and you can find an article about the interest rates and send it to them to just say "hey just so you are aware there are no changes in interest rates today".

Or maybe you can find an article about increasing the rental yield of your property or how to figure out if a property is going to be rented when you purchase it.

Maybe you could share this ebook with them (hint hint nudge nudge).

Its really up to you what you share and I don't care what you share. This activity is more to get you more passionate about reading about property, learning about property and also taking a backward step and thinking "well who in my life can I actually share this journey with? Who can I send an article to that might help them?"

You don't have to go through the entire journey with someone or meet up every single day to talk about things like this and like that but if you have people around you that you can encourage in this journey then that's going to encourage you as well.

When I started out my business in internet marketing and went full time there were a few friends of mine who were also starting businesses at the same time or who were about to go into business or who had side businesses. So when I found things that were interesting or might be helpful to them I sent those through to try and help those people.

Whether they watched the YouTube videos I sent them or whether they read the articles I sent them doesn't actually matter because the very act of me sending that useful information to someone else really encouraged me in what I was doing.

It really reminded me that hey, I am on this journey and that there is so much I can learn. Just the act of sharing it really pushed me forward and encouraged me to keep going.

If you share an OnProperty.com.au article with someone shoot me an email and let me know so I can say a MASSIVE THANK YOU. My email is ryan@onproperty.com.au.

I am so thankful for all the people that I get to help and all the people that read my stuff and if you share my stuff I am so thankful that you would actually do that to encourage people in this journey as well.

Day 9: Order A Copy Of Your Credit File

Today we will be discussing how you can order a free copy of your credit file so you can understand it. This will help you to see if there is anything holding you back or if you are in a good position to get a loan.

Why Is Your Credit File Important?

First I want to share with you why this is so important. Getting access to your credit file and understanding what's on your credit file is going to give you a good idea of how difficult it'll be for you to get lending.

Getting access to your credit file is easy and it's free. The things you want to look out for when you do get access to it is whether there is any defaults on your file like late bill payments or defaults that have gone through to debt collector.

They did change the credit rules in March of 2014 so there are more details on your credit file than ever before. It is also more important now than ever to pay all of your bills on time and make sure that you're not behind on anything. Issues on your credit file can stick around for a long time. A lot of defaults will stay on your credit file for 5 years and some can even remain on it for 7 years.

My mortgage broker Brad (get in contact with Brad) said that smaller issues on your credit file are not a big deal if you only have 1 or 2. However having bigger issues on your file can be a major issue if you want to get lending.

I was talking to him about an electricity bill that fell through to a debt collector for over $2,000 that I had back in winter when we lived on the central coast. We lived in non-insulated house with two babies and since we couldn't pay it back on time it went through to the debt collector and we were then able to pay it off.

I was really worried about my credit file though and thought that the default would be a huge mark on my credit file.

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Luckily it wasn't there so I'm safe. I am still waiting on my wife's credit file to see if it's on hers. But in terms of me as a major income earner, it was not on mine so that was a really happy thing for us.

Getting Your Credit File

You can order a copy of your credit file for free from Veda.com.au.

Getting your credit file, understanding it and showing it to your mortgage broker is a good step to understanding how easy lending is going to be for you.

In order for you to get access to your credit file you simply need to go on the internet and go to a website called Veda.com.au. You will see on their homepage something that says "looking for your credit history".

One of the 1st things that you're going to see is details about a credit report and a button that's going to say "get your credit report". Click on that button and it will take you to a page which talks about your credit file and your credit reputation.

Now they are going to try and sell you on an annual subscription for 12 months (which is $80) and that would give you access to any updates that happen on your credit file during that 12 months. What you want is your free credit file so if you scroll down the page a bit on the right side you can see "free file find out more". Click on that and it will take you to the page where you can get access to your credit file. All absolutely free.

Now it will take some time to get to you if you choose to get it for free. I think it takes about 2 weeks to come out. You can get it express but that's going to cost you $70.00 so if you don't need it urgently then what you want to do is get it for free.

They have a little link that says it will get to you in 10 working days so just complete the form and it will take you to a page where you can fill out all the details and you can get the form either posted or emailed to you.

* * *

All you need to do then is go through and enter all of your details, make sure they confirm your details and it will be sent out to you.

Beware The Sales Call

It's good to know that someone from Veda is probably going to give you a call and try to up-sell you to the annual one which is $79.00 per year. Just let them know that you're not interested.

They are pretty good about it but they might try to be pushy so just be prepared that they will want to sell their annual option if you go with the free option.

Keep Your Credit File Safe

Once the credit file comes, keep it somewhere safe. You could get it emailed to you so you have it on file and just store it in Dropbox. Store it somewhere you're going to be able to find later on. That way when you do get onto your mortgage broker you can actually take your credit file to your mortgage broker. They can identify any issues and they can let you know what your options are.

This puts you in a better position to know exactly where you are and helps put your mortgage broker in a better position to get the right loan for you.

This is going to save you so much time and make things so much easier with your broker. All you have to do is go to veda.com.au and just follow the steps. You can sign up for the paid option if you really want that update. If not then you can get it for free and it comes out within 10 working days.

Day 10: Do Your First Cash Flow Analysis

Doing the cash flow analysis of a property helps you understand whether or not you can afford a property or how much money it will make you.

A cash flow analysis is working out exactly how much the property is going to cost you every week or how much the property is going to make you every week if it's positive cash flow.

This figure is important so you can begin to work out the return on investment…or you can work out how much money you are going to need to set aside for the property.

When we are analyzing the potential cash flow of a property there are a few things that we need to do.

#1: Take Into Account The Income Of The Property

The first thing that we need to do is to take into account the income of the property. The easiest way I find to do this calculation is to just assume that the property is going to be occupied 100% of the time – it is going to be occupied all throughout the year.

And basically all you then do is take the weekly rent and times it by 52 and that will give you the annual income for the property.

Don't worry about vacancy we are actually going to take that into account in our expenses.

#2: Look At The Expenses

The next thing that we need to do is begin to look at our expenses.

1. Mortgage

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Our biggest expense is likely going to be a mortgage so we need to work out exactly what our mortgage is going to be. Maybe it's 80% of the value of the property. Therefore for a $500,000 property that would be a $400,000 loan.

If we are paying interest only this calculation is pretty easy. You just times the full loan amount multiplied by the interests rate you are paying to get your annual figure for how much you need to pay annually for interest on the property. Eg. $400,000 x 5% = $20,000/year

If it is principal and interest then I simply suggest that you go to Google and type principal and interest mortgage calculator or something like that and you will get something that will be able to calculate it for you. It's just totally not worth going through the math in this ebook when the internet can do it for you.

So the first thing is to work out what your mortgage repayments are going to be because that's going to be your biggest cost.

2. Property Manager Fees

The next thing we want to look at is property manager fees which is going to probably be around 6% to 12% of the the rental income that you get. It is most likely to be in the 6-8% range for metropolitan areas.

Remember this is 6-12% of RENTAL INCOME (not purchase price). So if our property is rented for $500/week (or $26,000/year) this is 6-12% of $26,000.

3. Expected Vacancy

We then want to look at expected vacancy of the property. To find the vacancy rate of your suburb go to Plus.Onproperty.com.au/vacancy and it will redirect to a tool by SQM research. That tool will show you what the vacancy rate is of the area.

Take your annual rental income and multiply it by the vacancy rate to get an estimate of the cost of vacancies to your bottom line. Technically it's not a cost (its missed income that's isn't coming in). This is however just the simplest way to work it out.

4. Repairs and Maintenance

Then you need to go through and you need to add some more cost money to look at repairs and maintenance and how much that is going to cost you per year. Obviously on the newer property this might be zero and on an older property it might be a lot more than that.

5. Insurance

You need to look at how much insurance is going to cost you. This is home and contents insurance if you are purchasing your own home or landlord's insurance if you are purchasing an investment property.

6. Council Rates

You need to look at how much council rates in the area is going to cost you. How much that is going to be per quarter or per year?

7. Bank Fees

We need to look at banks fees, if your bank charges you any fees for having the mortgage with them.

8. Water Rates

You need to look at water rates if you are going to be paying water rates. I

9. Body Corporate Fees

If you own a unit or a townhouse or a villa or something with communal land and not strata titled then you are going to look at some body corporate fees or they sometimes call them strata fees and that's generally for the management of the common area of the property.

10. Land Tax

You also want to look at land tax if you own high values are land in a particular state. That probably won't apply to most new investors just ongoing investors.

11. Property Improvements (non-deductible)

And then lastly you want to look at improvements to the property.

This differs from usual maintenance as you are actually investing to make the property better. For example, replacing old carpet with new carpet would be an improvement whereas patching old carpet is maintenance. Fixing taps is maintenance but putting in a new vanity in the bathroom is a property improvement.

The reason why we separated out maintenance and improvements is because it just makes it easier come tax time to work out what we can claim and what we can't claim.

What we do is then basically add up all of those expenses (you can take out property improvements if you want) and that's going to give us our total annual expenses for the property.

#3: Deduct Annual Expenses From Annual Income

We then look at the total income for the property and all we do is we take the total income and we minus the annual expenses from the total income and that is going to give us a rough estimate of what our cash flow is going to be per year.

This might be minus $4,000 per year or it might be plus $1,000 per year. You can then divide it by 52 in order to understand what it's going to look like weekly.

This is a good way to understand whether it's a property that you want to invest in and it's going to deliver you the return you want or if it's a property that's going cost you a fair amount money and you need to make sure that it's going to get the capital growth that you want in order to make up those losses.

Whether you're investing in negatively geared, positively geared or whether you are investing in your own home doing a cash flow analysis so you can understand exactly how it's going to affect your bottom line is a very important step to take.

I think it is one of the most important steps when analyzing a property. The good thing is the more you do this the more you can quickly assess properties based on their cash flow and you can see whether the properties are going to be good ones or not.

It Gets Easier The More You Do It

Since I do so much analysis (I list a new property every single day now inside my membership site On Property Plus) I get really good at understanding what's going to be positive cash flow, how much is this going to cost per week and if there something I could do to change this to make it positive cash flow.

If you want you can then go into taking depreciation into account and working out your tax rebate and how much you might get tax back and how much tax you have to pay.

Obviously that is more complex and I don't really want to cover here as it would be technical and take up a lot of time. Plus this is an early cash flow analysis we are doing. We can get technical later down the track when we are seriously considering investing.

A Tool That Does The Cash Flow Analysis For You

If you want a tool that does the cash flow calculation for you (including depreciation and tax) then check out PropertyTools.com.au. You type in basic information like your purchase price, your rental income, interest rate and then you go through and you enter your property manager fees, expected vacancy, etc and it actually calculates it for you.

It's a web app so it works on your phone, it works on your computer, anywhere that you have access to the Internet you can use this. It's a pretty valuable tool and one that I use for when I'm searching for all my property listings and I know a lot of members use this religiously as well when they are looking at properties.

You can do all this stuff manually. I used to do it all manually myself but obviously having a tool that will do for you just makes life so much easier.

Doing a cash flow analysis is super important and is a super valuable thing to do. I do suggest that you do it on every property that you're considering investing in and don't buy a property without doing a cash flow analysis because how are you going to know exactly how it's going to affect your bottom line if you don't actually work that out prior?

Day 11: Visit An Open For Inspection

Today we will discuss going to an open for inspection. I'm going to cover in detail why it's important for you to go to open for inspections even if you're not looking at property and even if you're not ready to buy.

I'll also tell you some of the things you can expect at an open for inspection.

Go to a Local Open for Inspection

I suggest going to an open for inspection in your local area because it is just so much easier if it's just around the corner and you can walk rather than drive.

The easiest way to do this is to go on realestate.com.au, go to the buy section and search in your local area and most of the listings show somewhere when there is an open for inspection. Occasionally you will need to call in order to arrange an open for inspection or to find out the time.

Often times you don't even have to talk to the specific real estate agent. All you have to do is ask the receptionist about the open for inspection and they will let you know when it is. Generally a good time to go it might be on weekends if you are not working.

Why is an Open for Inspection Important?

I find that one of the biggest things that holds people back from investing in property is fear of the unknown.

Maybe you don't know what the buying process is or you don't know what to expect. Going for an open for inspection will allow you to be free to make mistakes and ask silly questions without feeling pressured to buy.

I learned this from Tim Ferriss who is the author of The 4-Hour Work Week and he calls it "no stakes learning". What you do is learn a skill without any risks. That way if something goes wrong you won't experience a negative impact on your financials because of it.

You may lose a Saturday afternoon looking at properties or you may have looked a little bit silly by asking the wrong questions but you learn and know what to do in the future so that when it does come time to buy you will be so much more experienced.

I find that going to open for inspections increases your confidence every single time you go because you become more relaxed and know exactly what to expect in the process. I therefore suggest that before you're ready to buy you have to try to go to an open for inspection.

What can you expect at an open for inspection?

Generally open for inspections are at a set time and you want to try to be there on time because they generally only last for about half an hour.

When you arrive there will probably be some other people there. You just park on the street and then you walk in and the real estate agent will greet you at the door or as you walk into the main living area.

What they are going to do is ask you for your name and phone number. It is really important for them to get to know who the potential buyers are so that they can follow up. Just decide if you are going by yourself if you want to give them your name and you could just give them a fake number if you really don't want them to call you (yup I've totally done this before!)

I've done this many times before. I remember I went to an open for inspection with my mother-in-law and she was really nervous about giving her name and number because then the real estate agent calls you, hassles you and tries to talk about buying the property. What I did was take charge when we went in as a group. I told them that I was looking at buying the house and gave them my name and number. That way my mother-in-law could look around without being hassled.

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The reason they ask for your name and number is because they will most likely follow up with a phone call later in the week and ask you if you are a serious buyer and what you thought of the property.

When this happened to me I simply let them know that I was just in the area and was curious but not actually interested in buying the property. Once you say that they know not to waste their time with you and hang up pretty quickly after thanking you for your time. So it's really not a major issue that you have to worry about.

In most open for inspections you would then be free to roam around the property. You can go upstairs, you can go into the backyard, or you can look around in general. The real estate agent will usually stay around the main living area and may involve you in a conversation and start talking to you about the area, the property or where you are at in the buying cycle and things like that.

This is a time where you can say that you are just doing an activity to become more confident with open for inspections or you can let them know that you are thinking of buying in this area and you can ask questions like:

What makes this house special?

What's the area doing (is it depressed or is it growing)?

What do you think this property would rent for if I was buying it as an investor?

You can begin to ask those sorts of questions.

Rarely the real estate agent will take you around the property and show you each room and give you details for each room for you. I prefer it when you can just walk around yourself but occasionally this is good because they highlight things that you may not have realised about the property and you can begin to learn about the property.

* * *

Once you've had a look at the property you can just leave whenever you want. Once you are done looking around you can walk out and just thank the real estate agent. If you aren't serious about buying then you could tell them that you are still looking at other properties in the market or that the property wasn't quite right for you.

Real Estate Agents Usually Love It When You Come To Their Inspections

They are almost always really nice and easy to get along with. Usually they will be happy that you did a look through even if you're not actually interested in buying the property because it's their job to hold open for inspections that are open to the public.

Having more people come through is also really good because it can push people who are actually considering buying the property to act faster and try to buy the property as soon as possible so that they don't miss out. So really just being there is helping the real estate agent.

By doing this you can also become more confident knowing that you're going to this open for inspection and you are actually really helping the real estate agent by making the property look like it's more popular.

There is the advice for today. Sometime this week you should go to at least one open for inspection so you can see the process and see how it works. You can also get over the nerves of not knowing exactly what's going to happen in an open for inspection and when it comes time to buy a property you can be a master at open for inspections.

Day 12: Buy A Property Investing Book

Buying a property investing book can give you as much information as a $5,000 seminar for just $30. It can be one of the best things you do to advance your investing career.

Why a book?

Of all things, especially in this day and age when so much information is available online?

There are podcasts, blogs, many training courses and coaching programs. There are so many different things that you can get.

Why go out and purchase a book?

It Will Give You A Full View Of A Specific Strategy

The number one reason I recommend purchasing a book is that it is going to give you a full view on a particular investment strategy or on one particular investor.

When you are reading blog posts or listening to podcast episodes, generally it is very sporadic. One week they might talk about property or market updates. Then in another week they talk about renovating, and the next week they might talk about positive cash flow property, etc.

I know because I do daily podcast episodes on OnProperty.com.au and often my content can be sporadic depending on what I'm covering or who I am interviewing.

By going online listening to a podcast, reading blog posts and stuff like that you are not really going to get a start to finish idea of one particular investment strategy. However, a book is almost always going to give you that.

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All The Information You Need For A Good Price

Another reason I recommend reading a property book is that you generally get all of the information that would be contained in a three-day seminar or an online course for much much cheaper.

If you were to go to a three-day seminar with Steve McKnight (who is one of my favourite property authors) that would probably cost you about $3,000 to $6,000. Coaching programs cost you even more from $5,000 to $10,000 or maybe even more.

But when you purchase a book and get it for around $30, you can actually get almost all of the information that you are going to get in one in those seminars.

They talk to through step-by-step about what the different strategies are. They also talk you through different examples and everything is in there. The good thing about a book too is you can go back and reference the information at a later date.

Some Considerations

I do want to put a suggestion out there just to be careful that when you are reading a property book. Don't automatically decide that it is going to be your end-all solution to investing.

The thing with property books is that they can be so convincing because the investor who has written the property book has generally achieved some level of success in their own life and they try to teach you how to do the same thing.

You're likely to begin to think that this is the exact success that you want in your life because their lives are pretty good. They are very successful and that is why they've written a book on it but their path won't necessarily be your path.

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So just read the book with that in mind so you don't get too swept up in that particular investment strategy. My favourite book is Steve McKnight's book From 0 to 130 Properties In 3.5 Years.

130 properties in 3.5 years. How many of us are actually going to achieve that? Very few people would be able to achieve that goal!

However, you can learn a lot when you read the book. When you are reading it just be careful that you don't have the expectation that you are going to achieve exactly the same thing as the investment author.

Just take it as a way to learn about different investment strategies and to become better. Don't necessarily take it as the law as to how you should invest.

My Book Recommendations

#1 From 0 to 130 Properties In 3.5 Years by Steve McKnight

This is the book that first got me passionate about positive cash flow property. I always knew I wanted to invest in property but I read this book when I was 16 and it just changed my world.

This book detailed Steve and his business partners' journey to purchase 130 properties in 3.5 years (as the title suggests). They show you examples and also talk about the theory behind it. I think it's a really good book for beginners. It's also a really good book if you haven't read an investment property book before because it's informative, it's educational but it's inspirational as well.

#2 The Cash Flow Quadrant by Robert Kiyosaki

You might have read his other book Rich Dad Poor Dad, or heard of it, and that is a great book that I recommend as well. But The Cash Flow Quadrant is even better!

It goes through and talks about four different ways of earning income:

Working a job (E Quadrant)
Owning a small business (S Quadrant)

Owning a large business (B Quadrant)
Investing (I Quadrant)

It is going to show you that there are different ways that you can invest and earn money, and it will help to expand your horizons. This is one of my highest recommended books and I absolutely love it.

#3 How To Create An Income For Life by Margaret Lomas
In this book Margaret talks through different investment strategies like investing in positively-geared properties and how you can actually invest in property in a way that's going to generate a passive income that will last you a lifetime.

The book is filled with educational content. It also lays out a really basic way that you can understand how to buy property in such a way that you are going to generate a passive income.

For my full list of recommended books check out The 30 Best Property Investing Books For Australians.

If you are worried about spending $30 don't be. It's going to be a huge investment in yourself. I think it was Warren Buffett, who is very a very famous investor, who said:

"the best investment you can make is an investment into yourself."

So invest in your education. Go out there and purchase a property book and then read it. Don't just purchase it and let it sit on a shelf and gather dust. Read it as well.

Day 13: Find 7 Fun Activities You Can Do For Free

Today's activity is a little bit different. We are talking about some fun things that you can do for free so that you can save your money, put it towards your deposit or pay off your mortgage.

I am going to share with you 7 different fun activities that you can do completely for free.

I am also going to link up to an awesome article that I found on the simple dollar and that's 102 free things that you can do in a weekend. That article is epic and will give me more ideas than want I'm going to give you.

Why Do We Want To Do Free Things?

We want to do free things because if we are always spending money chances are we're going to spend more than we earn.

If you are spending more than you earn then you're not going to be able to save your first deposit, you are not going to be able to save the second deposit, pay off your mortgage faster or have more money to reinvest.

Therefore if you have your goal of saving your deposit (or whatever your goal may be) finding free things to do will increase your quality of life and make you happier but then will also give you the money you need in order to invest moving forward.

You should have already read day #4 when we talked about creating a deposit savings plan. The goal there was to save the money as soon as you get paid, just like you have to pay rent every week no matter what.

Save that money every single week or every single month no matter what and then strive to live off the rest.

You don't want to "just eat beans" and be miserable at home for the rest of your life (or for a year or two while you save your deposit) you want to live a full and happy life at the same time.

Getting creative and finding things that you can do for free is a very good idea.

1. Go To The Beach (or the Park)

If you live near the beach then you can go to the beach. If not go for a walk in your local park.

This is actually my favourite thing to do for free which is why I included it.

My kids also love the beach. I love swimming at the beach. My wife loves sunbaking at the beach and I find that the less you take to the beach the more fun you have.

Take your towels and your clothes and that's it. No toys for the kids at the beach, no buckets and spades (they will just fight over them). We go to the beach and dig with our hands. My son always find sticks, my daughter always find shells and we have a great time.

If you don't have a beach near you then go to a park instead. Again I find less is more. Kids are creative if you force them to be and sticks can be 10 times more entertaining than any toys you bring along.

2. Do Some Exercise

This can be going for something like a run or a swim or it can be something a bit more fun like playing soccer with your friends or playing with your kids and doing different activities like that.

Exercise is obviously going to keep you healthy but it's generally a free thing that you can do at the same time.

3. Listen To A Brand New Podcast

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I love listening to podcasts and audiobooks. This is one my favourite things to do when I get a minute or often when I'm working and I'm just doing boring monotonous things so I listen to a podcast. I work for myself so I have this luxury…your boss may not be as impressed.

It is something to do for free that can entertain you and that can fill up your mind with useful information. If you are listening to podcasts that are actually going to educate you then you'll be entertained and be moving forward towards a life that you desire.

Listening to podcasts is therefore a great thing to do that doesn't cost you any money as long as you have a phone or something you can put podcast on and then access the internet as well.

If you're stuck for ideas check out the On Property Podcast.

4. Attend A Local Meet Up

There are loads of meet ups going on in cities and towns all over Australia. The easiest way that I found to find meet ups is to go to meetup.com and you can see meet-ups based on location and based on the different activities.

I love online business and all things business so I attend a lot business meet ups. There's one that I go to for startup companies and it's almost always a sponsored event so I get free food, free beer and I get to meet new people, hang out and have a good time.

Every now and then I get to listen an interesting talk as well. The talks are usually pretty boring but every now and then it can be interesting.

There's also meet ups for single moms. There are meet ups for people who are writers. There are different exercise meet ups. Based on what you like to do there is probably a meet up for you and if there isn't one then you can always think of creating one and then meet up with people who like minded.

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I found this really useful especially because I just moved to the Gold Coast about a year ago. It's a great way to meet new people and to make friends as well. So, if you need some new friends or some old friends and meet up is definitely a great idea just got to meetup.com.

5. Learn A New Skill

Learning new skills is now so easy with the Internet and with YouTube. All you have to do is go to youtube.com and type in the skill that you want to learn – how to juggle, for example; how to change the oil in my car; how to do any different activity that you want to do – hop on one foot while tapping your head, how to do that.

Okay, I don't know if there's going to be a video for that but you can learn new skills through the internet easier now than ever before.

You don't need to attend a class. You don't need to pay for someone to teach you. Almost anything you can learn how to do online absolutely free.

That might be something that you want to do, learning a skill like juggling might come in handy at parties or might definitely comes in handy when I'm making a fruit salad with my kids. They love it when I juggle.

Learning a new skill is something that you could do that could improve your life at the same time.

6. Sit Down and Write

You could write in a journal. You could to write short stories. You could start a novel or you could do what I do which is general writing for my blog.

I have got this blog I have another one on public speaking. I have got a couple of other smaller ones as well and I just love writing.

Sitting down and writing can be something that you can do for a free activity that is relaxing and fun. If you don't like writing then maybe you can read a book or something like that.

There are secondhand book stores where you can trade in old books and get credits for new books so if writing is not your style maybe reading is your style and you can go and get a book for free by trading in some old books.

7. Go Out And Take Photos

We've all got high quality cameras now inside our phones. Obviously they're not going to be as good as some other super expensive cameras that cost $5,000 but they're pretty good cameras.

You can take them out and you can take some photos, maybe just some landscape shots.

I used to go down to the beach super early in the morning. I would get up at 5 a.m. before the sun was up and go and take some landscape shots with the beautiful sunrise and stuff like that.

I didn't have an awesome camera at the time, in fact my phone now has a better camera than the camera I had back then. It is a fun activity that you can do.

There are your seven things. They may apply to you. They may not apply to you.

Whether they do or not it doesn't matter but the idea of going out and finding some things that you can do absolutely free that's not going to cost you anything is a really great idea because it can help you save money, help you live below your means but more importantly it can help you to be happy.

Because that's what we want with life and that's what we want with investing. Enough money that we can go out and be happy.

Something that I learned the other day from a podcast that I was listening to was this mantra of "happiness now"

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Rather than waiting to be happy, until we have achieved financial freedom or bought a property or done this or done that, we can achieve happiness now.

I think a great way to do that is to find these fun activities that we can do for free, decide that we're going to be happy despite our financial circumstances. Obviously we continue to work towards financial freedom but we decide that we are going to be happy within our circumstances and we find ways to make yourself happy.

For me that might mean a 6 a.m. swim at the beach. For you that might mean doing something completely different.

Day 14: Subscribe To A Property Podcast And Start Listening

The activity for today is a simple one and it is simply to find a property podcast and to begin listening to it on your way to work or at the gym. I am going to go through exactly how to do this.

Chances are that you are already listening to my On Property Podcast or you may have found an article on my blog or you could reading this in eBook form (obviously you are).

How To Find Property Podcasts To Listen To

I want to show you exactly how you can subscribe to podcast and then you can go ahead and do it.

IPhone

If you have an iPhone or iPod or an Apple device then the easiest way to subscribe to a podcast is to:

Step 1 – Look for the purple "Podcast" app on your iPhone. If it isn't there then go into the app store and search "podcast" and then download the apple podcast app by Apple.

Step 2 – Through this app you can actually search for podcasts. So click the search icon

Step 3 – All you need to do is type in "property" or "property investing" and you can see a bunch of different podcasts that talk about property investing.

Android

If you are not on an iPhone maybe you have got an android device then I suggest you:

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Step 1 – Go into Google Play store and download a podcast app called "Stitcher Radio". Stitcher is currently the #2 platform in podcasting second to iTunes.

Step 2 – Inside the app search for "property investing" and finding some different property investing podcasts out there.

My Most Recommended Podcast

If you haven't check out my podcast simply search "On Property" in iTunes or Stitcher Radio. I frequently update it and discuss a variety of topics. My podcast differs from most out there as I try to deliver a "how to" style podcast rather than just providing news and updates.

The number one podcast that I recommend (apart from my own) is The Everyday Property Investing Podcast. This podcast has been around for years and years and years before I was ever podcasting about property. Kaz does a great job of interviewing people and talking about her investment and investing in property. I therefore recommend that you definitely search for The Everyday Property Investing.

Extra Tips For Downloading Podcasts

When you download a podcast you can download it by episode (rather than subscribing to someone's show).

You can actually search in these podcasting apps for specific things like if you are interested in learning about renovation you can search renovation. If you are interested in learning about subdivision why not search subdivision?

These podcast application search engines aren't as good as Google so you are not going to get as many results back but hopefully you can find something that works for you.

Alternatively, if a find a podcast that you like, whether it's On Property or

The Everyday Property Investing Podcast or a different one you can actually subscribe to it and every time a new episode comes out you can then download that episode and have access to it.

I release my podcast on a regular basis and most people tend to release their podcast on a weekly basis so there is always fresh content to consume..

Great For The Commute Or At The Gym

Download a podcast, subscribe to it and then listen to it on your way to work or at the gym and invigorate your mind and become smarter.

So go ahead download a podcast and the next time you are catching the train to work or driving to work or you are at the gym or going for a walk or something stick your headphones in or plug your phone into your car stereo and listen to a podcast and improve your mind while you are doing something else.

This is something that I do consistently, that is, listening to multiple different podcast in different industries to really improve my mind as I am doing other things. As I am working and doing monotonous work I listen to a podcast when I am doing activities where I don't really need to think.

Back when I was a road rep – I used to be a pharmaceutical rep – I used to listen to loads and loads and loads of different podcasts because I was driving all the time. Driving between so many different appointments I would get through multiple podcasts a day and really expand my mind, expand my skills and expand my knowledge.

That is something that I suggest for you as well. Download a podcast, subscribe to it and then listen to it on your way to work or at the gym and invigorate your mind and become smarter while learning from other people.

Day 15: Find A "Big Win" Even If You Don't End Up Doing It

A big win is something that moves you towards your financial goal in a big step. This can be gaining a large chunk of money quickly or instantly minimising how much you think you have to save.

Today we are talking about finding a big win. I'll show you some ways that you can achieve a big win in your life that can quickly move you towards saving or minimizing your deposit.

Rather than incremental weekly or monthly growth, it's something that can really shoot you ahead and get you a big chunk of money all at one time.

The most common way to get a big win is to get a big chunk of savings. However I am first going to show you how to get a big win by lowering the amount of money that you need to save for your deposit.

Here are my three recommended ways to lower the amount of money you need to save.

#1: Lower the Property Price

One of the ways you can minimise the amount of money that you need to save is to actually lower the price of the property you are planning on purchasing. Your goal is probably financial freedom and so it doesn't necessarily have to be a super expensive property that you start out with.

A lot of people think "I want to buy a dream home and I want to save a 20% deposit". Well when you want to by a million dollar home a 20% deposit is $200,000. Then you'll have to pay stamp duty on top of that which adds up to a significant amount of money that you are going to need to save.

I like to use what I call the 2-hour rule. If you live in a capital city then chances are property is pretty expensive. But with this rule if you go 2 hours in any direction you can generally find property at reasonable prices below $300,000.

Take Sydney for example. If you go 2 hours north you are on the north of the central coast where you could buy a 2-bedroom house for about $250,000 to $300,000.

Go south 2 hours and you could buy a house for around $300,000. If you go west 2 hours you are somewhere around Lithgow and again we are looking at paying around that $300,000 mark.

If you go two hours east–well you are going to be in the pacific ocean so I don't recommend that. But going two hours out of where you are and finding a property that's a lower price property can give you a big win because the amount of the deposit you need to save has been significantly lowered since the price is lowered.

#2: Lower Your Percentage Saving Target

Another way you can lower your deposit is lower your percentage saving target. Maybe you want to save 20% to not have to pay that lender's mortgage insurance.

But why not consider actually only saving 10% or 5%? It's a good idea to go into Google and type in "lenders mortgage insurance calculator" and actually work out how much the lenders mortgage insurance is going to cost you.

Some people say never pay lender's mortgage insurance because it's a waste of money. People therefore get so fearful of lender's mortgage insurance as they think they have to save this massive deposit. This means that it will take them years to save the money and they may never get to buy a property.

However if you find out how much it is going to cost, you might find out (like one of my readers did the other week) that it is actually significantly less than what you thought.

* * *

You might already have a deposit now. Maybe you've got 5% and you are trying to save 20%. It would be possible to buy a property now and it could turn out to be a good step to take.

#3: Consider Government Grants

The other thing you can do to lower the amount of money you need is to look at getting access to government grants. This might be a first home buyer grant that some states still offer. Or it could be a grant for new buildings which I know Queensland and New South Wales offer at this point in time.

They change all the time so check with your state government to see what's available. I have seen grants where you could get a boost like a bonus amount of money to put towards your deposit and towards the property. Or they might your waive stamp duties so you don't actually have to pay any stamp duties on the property.

Stamp duty is generally something you have to save for (which we have covered when talking about working out how much of a deposit you need to save) but if you can get rid of stamp duty because you are accessing one of these grants or concessions then that's going to save a large chunk of money and give you a big win.

Now how can we get a big chunk of cash towards our deposit?

Sell a Car

The easiest big win that you can get is to actually sell a car. Maybe you've got two cars and you could sell one and just live with one. Or maybe you have a really expensive car that you could sell and then downgrade it.

You could also possibly sell your car and go with public transport for the short term. This will allow you to buy a house and then you can buy a car at a later date.

* * *

Generally we have a lot of money wrapped up in our car. So to be able to sell our car can give us a big chunk of cash.

My car is probably worth about $6,000. Now that amount might not give me a massive win but it is $6,000 and that is a decent chunk of money.

However it's not something I am really looking to do especially with 3 children we need to drive around. But it could definitely be something for you especially if you've got a $100,000 BMW or an expensive car because you could downsize and then drive something much cheaper.

So selling a car can be a great way to get a big win towards your goal of buying a property. But are you willing to make that sacrifice for your future?

Do Extra Work

Another way you can get a big win is to do some extra work or consulting.

I am not a massive fan of getting a second job and working yourself to the bone because I have experienced burnout in my life where I have just worked too hard. I have burnt out emotionally and spiritually and had to regain my fervour by realising that it just wasn't worth it for me.

However I am a fan of doing extra work or consulting on the side for a set period of time to save a set amount of money. Maybe you've got a goal of saving $1,000 or $2,000. But how many hours of work would that actually be? Or how many hours of consulting would it actually be?

You could even do something by offering services on the side like mowing lawns, walking dogs or baby-sitting. Do it for a short amount of time, save all of that money and then when the time is up you can stop doing it so you don't burn yourself out.

Therefore doing some extra work, having that savings target and putting it all towards that target can be a way to get a big win.

* * *

Rent Something Out

Another way to get a big win could be to rent something out. Maybe you could rent out a room or two in your property or you could even rent out your entire garage or a car spot. But of course make sure you check your lease and to see if subletting is okay and that you can actually do it.

You could also rent out rooms or your entire property on AirBNB to gain extra money. Many of us could crash on a friends couch or at our parents place for a couple of nights a month in order to rent our place through AirBNB and make some extra money.

Or if you own a house and you are trying to buy an investment property then you could rent out your house and move somewhere cheaper. It's also possible that you could rent out rooms in your house or rent out a granny flat in the back if you have something like that.

What can you rent out in order to get a big win towards your investment goal?

Do a Big Flip

Another thing that you could do is what I call big flip. A big flip is buying something, doing it up to increase its value and then flipping it for a profit. You could either do multiple small items or you could do one big item.

A friend of mine bought a Volvo at an auction and because his family knows a lot about Volvo cars he was able to improve the car and sell it. In the end I think he ended up making about $20,000 in the process because it was a very expensive car and he was able to improve it up to a great standard and make a good profit out of it.

So to be able to make a significant profit like that by putting in some hard work could be very interesting. For me a big flip would be buying a website, improving it in order to make it more profitable and then selling it.

* * *

The guy across the road from me is currently doing up a Volkswagen Beetle. He has been working on it ever since I moved here about six months ago and I think he has been doing it long before that. He is not fixing it up to sell it but I can tell you that when he is finished it is going to be worth a lot of money because it will be done to such a high level of quality for that type of car.

Maybe you could do the same thing with antiques or you could do it with furniture. You could even do it with something like bicycles or skate boards or whatever it is that you are into.

Ask yourself if you can you buy something, improve its quality and then sell it for a profit.

Move to a Cheaper Area

The last big win that you can get would be to move to a lower-cost area. Rather than paying whatever it is you are paying for rent or mortgage maybe you could move somewhere that was cheaper.

This is something that my parents did when they were trying to buy a house. They moved from Cronulla where they were right on the beach in Sydney out to a place called Ramsgate. It was a little dodgy house in a not-so-great area but they saved a significant amount of money in order to buy a house.

They hated living in Ramsgate but it helped them to buy a family home which we ended up living in for over 20 years. So moving to a lower-cost area is something to keep in mind in order to get a big win.

So there are some big wins where you could lower your deposit or save a chunk of cash. Even if you don't go ahead and do any of those things it's good to know that you have options like selling your car or working on the side to save up a money that you can put towards your deposit.

Knowing that those options are there even if you don't necessarily use them can be very useful to keep you motivated towards your goal of saving your deposit.

Day 16: Meet Up With A Mortgage Broker

By meeting up with a mortgage broker you can find out a lot about your personal borrowing capacity as well as the lending market in general. This information will serve you very well when it comes time to borrow money to buy a property.

Today we'll discuss speaking with a mortgage broker, meeting up with a mortgage broker, asking them questions and finding out how much you can borrow.

We're going to be talking about why it's important to see a mortgage broker instead of a bank and also some of the questions that you should ask the mortgage broker.

This advice is actually Step 3 in "The Essential Guide to Buying Your First Property". In the guide I show you the 21 steps that people take to purchase a property in Australia and you can see step-by-step exactly what happens along the purchasing journey. You can also get worksheets, checklists and detailed instructions about what to do at each stage of the buying process.

So now that we have an idea of how much we're going to save and how much we can afford to borrow it's time that we sit down with a mortgage broker and talk to them about the different loans available and our strategy moving forward.

Avoid Going Straight to the Bank

At this step most people think it's best just to go to your local bank because they think that their bank will give preferential treatment since they already have an account with the bank. That's not generally not going to be the best decision for a majority of people.

Why isn't it the best thing?

* * *

Banks Rarely Give Special Treatment to Their Customers

This is because banks are so big now especially if you're part of one of the big four like Westpac. They actually use a lot of data sets and information about you to work out what they can offer you and they rarely show favouritism to existing customers.

Banks Have Limited Loan Packages Available

Banks can also only measure you against their loans whereas mortgage brokers have access to over 30 different lenders who all have their different loan packages.

For example, one lender might not find your income favourable and might not be able to give you a loan. Another lender might be fine with the way you earn your income and be able to give you a loan. Everyone's situation is different. Every bank's lending criteria is different so by going to just one you're probably not going to get the best option for you.

Every Bank Has Different Lending Criteria

It's unlikely that one bank will have the best interest rate or the best loan for your circumstances. You really do need to see what's out there.

Banks Usually Do Credit Checks

Another thing you need to be careful of is that when you go see a bank and ask how much you borrow hypothetically, the bank will likely do a check against your credit file to see if you can be approved for a loan and then multiple checks on your credit file are actually not a good thing.

I remember when I was trying to do my first property deal I went to a few lenders and, long story short, later I went to set up the internet and the internet service provider checked my credit file I couldn't actually get approved. Even though there were no negative marks on my credit file there were loads of checks on my credit file and therefore I got rejected.

* * *

Luckily I could set my wife up for the account and we could get internet but similar circumstances are going to happen when you're trying to get lending. If they see multiple checks against your credit file then it can be a red flag in their system and limit the amount of lending that you're able to do.

However if you go to a mortgage broker then they can hypothetically look at your situation without checking your credit file and see roughly what you're going to have available. So speak to a mortgage broker instead of a bank because that is probably going to serve you very well.

Find a Broker

To find a mortgage broker it seriously couldn't be easier than going to Google and searching for a mortgage in your area. You'll be able to find a list of potential mortgage brokers that way.

However, if you want a recommendation then my broker's name is Brad. I call him Brad the Broker and if you want Brad to give you a call then go to OnProperty.com.au/mortgage.

Otherwise ask for recommendation from friends or other investors. If you don't know anyone get on the property forums like PropertyInvesting.com or Somersoft.com.

Set Up a Meeting

After you find a mortgage broker then you need to contact the broker and set up an appointment time to meet. This can be an appointment over the phone or it can be an appointment in-person.

Truthfully it doesn't really matter as long as you set up an appointment to speak with the broker. Here are some things you're probably going to need to tell them:

How much you earn every year

* * *

How long you've been in your job (a lot of lenders give preferential treatment to people who have been in their jobs for more than 1 or 2 years)

- What type of employment you have (whether your job is full-time, part-time, casual or self-employed)
- What kind of debts you have and the value of those debts
- What credit limits you have
- What businesses you own or are on the board of
- What other properties you own
- Whether or not you have mortgages with other lenders
- Whether you pay your bills on time or pay them late (defects on your credit file can definitely affect your borrowing capacity)

Those are some things that you're going to need to provide your mortgage broker with. Those items in the list are basically everything about you financially so if you're nervous about giving over financials then you really shouldn't be buying a property.

People need to see how much you earn, how much you have and what your debts are in order to approve you for another loan so that's something you need to be aware of.

Ask Questions

When you go to the meeting you should make sure that you ask them some questions. The brokers are experts in the industry and if you can get an expert on your side to help educate you then that is going to be so beneficial for you.

I think that's the reason I love Brad so much. I met Brad when he came and did an interview for my podcast in early 2014. I found him really friendly, prepared, knowledgeable and we just got on really well.

About a month ago I contacted him and told him that even though I was working with another mortgage broker, I really liked working with him and wanted to continue working with him. Then when I was having a meeting with Brad and talking about our arrangement he was teaching me so much about the industry and about my situation as well that I knew I'd chosen the right mortgage broker.

So here are some questions you can potentially ask your mortgage broker:

- How much of a deposit do I need to save? (Different loans require different deposits. Some lenders need a higher deposit than others so it's something that you need to consider.)
- How much am I able to borrow? (Which can vary depending on the percentage of your deposit)
- How much are extra fees like stamp duty going to cost?
- What documentation is required?
- If I have less deposit does it affect my borrowing capacity?
- How does my deposit affect my interest rate?
- How much would lenders mortgage insurance cost?
- Once I have pre-approval, how long does it actually take to get unconditional approval once I make an offer on a property?
- How does buying a property in an auction work?
- Do their commissions affect the advice that they give you? (It's important to know that brokers get payed commission by the lenders whenever you actually get a loan through them but it doesn't affect how much you are charged by the loan.)

Once again, go and see a mortgage broker. I know that I covered a lot of information but after you see a broker, you should have a much better idea of what position you're in and how much you can borrow. You will also be a lot more knowledgeable about the market and how you should move forward.

Day 17: Make An Offer On A Property

The only way to practice making offers on properties is to go out there and actually make an offer on a property.

Today's activity is actually making an offer on a property whether you're actually ready to buy a property, or whether you want to buy a property or not.

This is something that I have done in the past and that has really really boosted my confidence when it comes to looking at properties, dealing with real estate agents and making offers on properties.

This activity is a bit left field, it's a bit different to what you probably expected from this 30 day property journey and that's to go ahead and make an offer on property!

A lot of people freak out and they say what do you mean make an offer on a property? This just sounds crazy, why would you go ahead and do that?

But the reasoning behind this is that making an offer on a property and doing some negotiation with the real estate agent is going to make you so much more prepared for when it comes time to making an offer on a property that you actually want to buy.

What Waking Up Early And Property Have In Common

A lot of people have the best intentions of getting up early but when your alarm goes off you hit snooze button and you end up staying in bed until you have pressed the snooze button for an hour. You haven't gotten up early and it's now too late to go and do your exercise or whatever it is you wanted to achieve that morning.

One of the best strategies that I've learned for waking up early in the morning (don't worry I am going to tie this in) is that rather than just setting your alarm and hoping for the best is actually doing an activity that helps you get up in the morning by default.

What you do is in the afternoon or in the night lie down in bed pretending you're going to bed and set your alarm, but set it to go off in 1-2 minutes time. Pretend you're going to sleep (hop under the covers and everything.) Then when the alarm goes off practice getting up and turning that alarm off and walking out of the room.

Then hop back in your bed set your alarm for 1-2 minutes time and do it all over again. Do that multiple times so when it comes time in the morning the alarm goes off you're in that habit getting up turning it off and walking out of the room

It sounds strange but it totally works and we want to apply the same thing to making an offer on the property.

Taking The Emotion Out Of Making An Offer

Often people get so emotional when it comes to buying a property and then they make silly decisions, silly financial decisions. They pay too much for a property or they buy a property that's not right for them.

By doing this practice of negotiating and being emotionally cool what we're doing is the same as when we were lying in bed, getting up, turning the alarm off and walking out of the room. We're practicing a non emotional response to making an offer on a property.

How To Make An Offer

Well I find the easiest way to do it is to simply go to realestate.com.au and just simply find a property that you want to make an offer on or maybe you don't want to buy it but a property that you think is fine.

Now I just want to put a disclaimer out there that you do need to be careful in certain states (like Queensland), where an offer is considered legal as soon as it's accepted in writing.

* * *

Basically go find a property, do your research and make an offer. Make a low ball offer (an offer that's well below the asking price) as it is less likely to be accepted.

You can simply do it through realstate.com.au and the forms that they have there and you can email the agent and say "look I'm really interested in this property I'd like to make an offer on this property for x amount of dollars, because that really suits me financially"…or something along those lines.

Then if the real state agent comes back (chances are they aren't going to ever accept the offer right away especially if it's a low ball offer) to negotiate you can say to them "I really need to do the finances on this and consider it and I'll get back you". You can get back to them with a negotiated offer or you can just email them and say "look I've reviewed the details and I'm not going to pursue this property any further"

I Used To Make A Lot Of Offers

I used to do this when I was a lot younger. I would try to organise owner financing deals and other crazy sort of stuff because I didn't have any money. I just started making offers on properties that I couldn't really afford just to see what they would take and whether I could actually work out a deal.

I remember making offers on $800,000 blocks of units in regional areas and a whole range of different properties. I made offers to see if anyone would accept and then if they did I would try and scramble find a way to make it work but if I couldn't find a way to make it work I would withdraw my offer and just say that my finances didn't line up on the property.

Most times (pretty much every time) I got rejected in some sort of way. This was fine as it really built my confidence in dealing with real estate agents.

You realise that real estate agents aren't trolls on a bridge that won't let you pass. They're people with a goal and that goal is to sell the property. Once you start dealing with real estate agents you become much more respectful of agents and become so much confident around them

When it comes time to actually buy a property then making an offer will be so much easier if it's not your first time.

If You're Too Scared To Make An Offer

Ideally if you're going to make a serious offer you probably want to get access to the contract of sale first.

So if you're too scared to make an offer simply ask for the contract of sale. Email the agent through realestate.com.au and say "I'm interested in this property wonder if I can get a copy of the contract of sale" and they can send that through to you and you can begin reviewing it.

This will help you get used to dealing with real estate agents. While you're at it and you're asking for the contract for sale why not ask some more question about the property. For example:

What do you expect this property will sell for?
Where are the opportunities to add value?
What are some issues with the property that I should be aware of?
What are the council rates?
What are the body corporate rates?

You can start asking questions and the more questions you ask the more confident you'll be to actually ask the right questions when you are seriously looking at property.

Today's task has been outside the norm and is something that you're probably not going to read anywhere else however it's worth a try. Be respectful and don't make a thousand offers to the same real state agent.

Just one offer here and there get a little bit of practice and have fun with it. You never know you might be an offer accept that creates an awesome deal.

Day 18: Ask The Real Estate Agent Some Questions

It's very important to get confident talking to real estate agents and asking them questions. The questions you ask real estate agents can help reveal why the owner is selling, put you in a better position to negotiate and it can help you identify problems with the property or potential opportunities.

Being able to ask a real estate agent questions and being confident around them is very important so I'm going to go through a bunch of different questions that you could potentially ask a real estate agent.

You could do it through email, you could do it over the phone, you could do it in person it doesn't matter. I suggest that if you're just getting started email is always the easiest way because it's not very confrontational and then you can work your way up to phone or to in person.

Going to an open for inspection is good and is going to boost your confidence but actually asking questions to the real state agent is going to do even more good for you.

I'm going to cover some pretty general questions in today's episode. If you want a more advanced checklist on things you should be looking for when you're actually inspecting a property well you can get that inside The Essential Guide To Buying Your First Property In Australia.

Some Questions You Can Ask The Real Estate Agent

Some of these questions may apply to you and some of them won't. You're not always going to get a straight answer from the real state agent with everything you ask.

The idea with this activity is to ask these questions on a property that you're not actually interested in buying so you don't actually care if you get a satisfactory answer or not. You can begin to build your confidence and get used to asking these questions without the fear that comes with seriously looking to purchase.

I find that the first time you ask questions it feels like you sound silly when you're asking. However, when you've asked the same questions a few times it just rolls off the tongue, it's really easy and it's not awkward at all.

So here are some questions:

Why are they selling?

You can ask the real state agent why the owner selling the property. If you can find out why they're selling, this could give you potential negotiating power. Most real estate agents will try not to tell you this but if you can find out it is very useful.

Would they consider selling for less?

You can ask them if the owner is willing to negotiate. The real state agent might come back with a yes or he might come by with a no. This can be a good way to gage future negotiations.

What terms are they looking for?

Some owners who are selling and looking for certain terms with their properties. They might need cash within 30 days because they've actually bought another house.

If you know they need cash in 30 days you can offer a shorter settlement and then they know they're going to get the cash. Someone else might offer more money but a longer settlement and which wouldn't work for the seller.

If the real estate agent just gives you a standard answer then this could be a sign that terms don't matter much to the seller, but it is the price they are interested in.

What's wrong with the property?

See if they let you know anything. This is especially important to ask if the property is priced below everything else in the market or seems “too good to be true“. You could also ask them if there’s any ongoing maintenance issues.

I’ve asked this to real estate agents and often found out that the property was in a public housing area, or a flood zone or some other issues that I wouldn’t have known about otherwise.

How does the property compare to others in the area?

A real estate agent is unlikely to just be selling this one property. If you’re not interested in this property they’re probably going to want to sell you another property, so why not ask them how does this compare with other properties in the area?

It might give them the ability to share with you some other properties that may be more suitable for you or may be better investments for you.

What are the body corporate fees?

If it’s a town hose, villa or unit you will likely have to pay body corporate fees. By understanding these fees you can work out what your cash flow is going to be.

Make sure to also ask how much is in the sinking fund. This is related to body corporate – this is how much money they have stashed away for major improvements or major renovations to the common areas.

What would this property rent for?

Just say “I’m an investor and I need to do my cash flow analysis before considering making an offer on this property. What do you think would be the potential rent for this particular property?”

It’s a great question to ask because you can then go and do a cash flow analysis on the property and you can see whether the property is going to be positive cash flow or whether it is going to be negative cash flow.

Here are some more questions you can ask:

Can I please have the minutes for the last 12-24 months for the body corporate?

What do you see as the opportunities on this property?
What are renters looking for in the area?
What are investors looking for in the area?
What types of properties are really popular in this area?
How quickly do properties sell in this area?
Do properties generally get discounted?
Is the owner willing to offer owner finance?

As you can see the are so many different things that you can ask and the goal is not necessarily to get an answer to the question that you're asking or to ask an specific question, but it's to get used to talking to real estate agents and asking them questions. It's about becoming confident with that process of the buying cycle.

You can do this by email – simply go on realestate.com.au find a property and then just simply fill out the contact form and ask one of this questions in the contact form

You could call a real estate agent – ask them "look I'm an investor I'm just wondering how much would this rent for?"

Or you could go to an open house and speak to them there – that is something that you should do if you want to become a more confident investor.

Day 19: Buy A Property Magazine And Look At The Stats

Today we are talking about the statistics in the back in the back of a property investing magazine, some of the things you can do with those statistics and how it can help you find awesome investment properties.

I am going to go through the different statistics that are in there and some of the things that you can do with these statistics.

Recommended: Australian Property Investor Magazine

For this example I am using Australian Property Investor. I don't love looking at data but there is some pretty cool stuff that you can find in the back of a property magazine.

Home Loan Comparison Rates

You can actually begin to compare home loan rates. When you're doing a cash flow analysis it's important to know what the home loan rates are.

This edition is April 2014 (so it's a bit old, get a newer one when you do this) but I can see comparison rates of 4.49%, 4.62%, 5.03%. So you can get an idea of how much a loan is going to cost you.

Vacancy Rates

The next one that I love is vacancy rates. It shows you different vacancy rates for an area. You can find this online but it's also in the back a property magazine.

You can go through and you can see the different suburbs that you're considering and looking in and you can assess the vacancy rates of those areas. See if they are high or see if they are low.

If it's double digits that should be a red flag for you. Anything over 3-5% I would look into in more detail. Stuff that is under 3%, especially 1% or 2% is a really good sign.

For example: I'm looking at Forster in New South Wales and I can see that in December 2013 vacancy rate of 1.8% and then in December 2012 vacancy rate at 2.1%. That is a very low vacancy rate in Forster.

Market Indicators

They've also got here in the back market indicators showing you major markets – Sydney, Melbourne, Brisbane, Adelaide, Perth, Hobart, Darwin and Canberra . They go through a bunch of different things.

If you are looking at properties in this area, this can be really useful.

Things like rental vacancy situation. In Sydney it says shortage of available property relative to demand. With a lot of demand, that tends to drive up rental prices. Brisbane says it's a balanced market so prices tend to maybe go up with inflation but they are not pushed up excessively by the shortage like they are potentially in Sydney.

You can also see things like the rental vacancy trend whether it's steady or increasing or decreasing as well as the demand for new houses.

You can see trends in new construction as well which is interesting. I can see here that in Adelaide new construction is increasing so that would be something to look at.

You can see the stage of the property cycle as well so we can see here Sydney is a rising market and this was February 2014 when this report was created. Therefore as I am publishing this we know that Sydney definitely was a rising market and actually boomed around this time. It would be interesting if I bought a magazine today what it would say about Sydney.

It also then goes and shows that data for a bunch of different areas, like the Central Coast, Nowra, Newcastle, Orange etc etc. So the different states have this data available for all the different major suburbs and towns which is pretty awesome as well.

* * *

I love this section of data. It's really easy to see what an area is doing and what the stats are showing.

Market Watch

Market Watch shows you all the major details of a potential area. It is broken down into the following statistics.

Capital growth trends
Median price
Median rent
Gross rental yield
Average days on market

Gross Rental Yield

What I love to look at is the gross rental yield section. I have actually created a video inside [On Property Plus] showing people how to use a property magazine to find positive cash flow properties.

Basically you go through and you look at the rental yields and you find suburbs that tend to have a high rental yield (over 6% or over 7% if possible). Then you go and look into those suburbs.

I can see a suburb in the ACT that's got a 6.2%. I can see in New South Wales a place called Abermain which has 6.9%. You can therefore go and look into these in more details. So that's really cool.

Average Days On Market

You can also see the average days a property stays on the market. So if you're looking at a property you can get an idea of how fast you need to act.

For example Armadale is in here and it says average days on market 212. You can therefore know that when buying a property in Armidale you may have some negotiating power (and time to negotiate) there but you also know when selling a property it's going to take you sometime to sell that property and to get rid of it.

I can see here Cardiff South, which is in Newcastle – the average days on the market is 32 so that's a lot less than somewhere like Armadale.

That ends our lesson for today. Go out buy a property magazine. I recommend The Australian Property Investor for the data in the back. They seem to have the data laid out really easily.

The articles in there are generally okay (at best) and you probably won't find them to be life changing or amazing…but hey, it's only $10. Something to read on the way to work or on a lazy night when you're waiting for the next episode of The Walking Dead or Game of Thrones to come out.

Day 20: Find The Population And Vacancy Rates Of An Area

Finding population growth or decline and looking at the vacancy rates of an area can tell you a lot about whether or not that area is a good place to invest.

In yesterday's episode we talked about some awesome things that you can find at the back of a property magazine. One of those things was vacancy rates. However, you do tend to find that the vacancy rates inside a magazine are quite old. Generally 6-12 months old.

Being able to find up-to-date vacancy rates and being able to find population growth or decline is going to be very valuable when looking at an area.

Rental demand and population growth and decline can be an indicating factor of whether your property (and the areas as a whole) is likely to grow or decline in value.

Vacancy Rates

The first thing I want to do is look at vacancy rates in the area and how we find them.

SQM's Vacancy Tool

I love this tool. I always recommend this tool to people. To find the tool simply type in "SQM vacancy rates" into Google and it should come up.

First accept the terms and conditions and then click the button that says "click here to see vacancy rates by suburb or postcode"

Then all you then need to do is type in the postcode of your area and it will show you the vacancy rates of the area over a period of approximately 3-5 years.

* * *

Ideally you want to see stable or declining vacancy rates. The lower the vacancy rate the better. Vacancy rates over 3% should be looked into and vacancy rates over 5% should be a red flag and you should proceed with caution.

Population Growth And Decline

The next thing we need to do is to find out the population of an area and see if it's growing or declining.

What we need to do is go to Census Quick Stats. To find this simply Google "Census Quick Stats".

Click on 2011 from the drop down menu and then we just simply type in your suburb and select the correct options from the dropdown menu (UCL, SSC and SLA are the options I usually choose in order of priority).

Make note of the population for 2011.

Click the back button and then choose 2006 from the drop down menu and do the same thing. Make sure you chose the same option as you did for 2011. So if you chose UCL then choose UCL for 2006, if you chose SLA then choose SLA for 2006. Don't change as it will give you inaccurate results.

Make note of the population for 2006 and then cross check this with 2011 to see if the area has grown in population or declined.

Lastly, repeat for 2001 just in case.

You should now be able to see the difference from 2001 to 2006 to 2011 of your area and if the population growing in that area.

Population growth is always a good sign. It's never a guarantee that you are you going to get capital growth in an area but if population is going backwards then that should be a red flag for you to consider.

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Are lot of people moving out of the area and if so how's that going to affect property prices?

If there are lots of properties in the area and less and less people in the area then there's likely to be less demand for properties. The less demand there is generally means people have more choice and therefore they can bargain over price a lot more.

This often means you can't sell your property for as much and you don't get the kind of growth you want.

It's NOT it's not a direct link. You can't just say "well population is growing so the area is definitely going to go up in value" or "population has declined so it's definitely going to go down" but population growth and property prices are often correlated and so if there is a decline you might want to do some more research into the area before investing.

That is how you find population and vacancy rates of an area and these are great things to search for when looking into an area to understand exactly what's happening in the area. You want to know whether your property is going to be rented and whether there's going to be that demand there in the future.

Day 21: Ask A Real Estate Agent For Details Regarding A Property

When you are inspecting a property or considering a property there are some important things that you are going to need to know and some details that you are going to need to get from a real estate agent.

The things that I'm going to talk about today are finding out the details about:

Council rates
Body corporate fees
Insurance
Water rates

We have previously talked about contracts of sale and asking more questions about the property and now we're going to be specific into things that will potentially affect the cash flow of a property.

You can do this in two different ways:

When you are inspecting a property you can ask the real estate agent for those details.

However, I find that the simplest way to ask this is to simply email the agent and to ask for these details.

Council Rates

When it comes to council rates the real estate agent should have details and know exactly what the council rates of the property are. The owner should be able to provide the historic data of what the council rates have been and the agent can pass those onto you.

Body Corporate Fees

If you're investing in a unit or a townhouse or a villa or something with common grounds then you are likely going to have a body corporate and need to pay body corporate fees. You are therefore going to want to ask the real estate agent what the body corporate fees are and also how much money is in the sinking fund of the property.

They should be able to find this out and should be able to share it to you.

Also if you're actually really considering buying a unit then I would also ask for the minutes from the last 12-24 months of the meetings of the body corporate. When people meet together they need to take minutes (which are notes about the meeting) and they will discuss potential issues with the property, whether they are going to fix those issues or just leave them.

So if you are actually buying a unit ask for the minutes because you can read through them and you can actually see what have they done, what haven't they done, what's left to do or there any upcoming major expenses that are obvious. That's a good little tip for you.

Water Rates

We also want to ask them what the water rates are for the property and they should be able to provide maybe the last 3 months or the last 6 months or even the last 12 months of what the water rates have been for the property.

If you're going to be living on the property then this will be a good indicator for you and you can use this information in your cash flow analysis.

If you're going to rent it out then you may have to pay these water rates, unless you get it written into your tenancy contract that the tenant actually pays the water rates.

Insurance Estimate

The other thing you might want to ask them for is an estimate on insurance on the property. They probably won't be able to give you an exact figure on this but they might be able to give you an idea.

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If you are renting out the property and you want to get landlord's insurance then you can simply ask them "how much do you think landlord's insurance is going to cost?"

Alternatively you can approach an insurance company and ask them for a quote on the property to get a more accurate result.

To ask these questions and get this information all you need to do is go to the property listing at realestate.com.au or domain.com.au and simply fill out the form and email the agent and ask for these details.

You can then use these details in a cash flow analysis to work out whether or not a property is going to be positive cash flow, negatively geared or how much the property is going to cost you.

Day 22: Find The Potential Rental Income Of A Property

Today we are talking about how to find out the potential rental income of a property. If you are investing in a property you are going to want to find out how much that property is going to rent for so you can do a cash flow analysis and understand whether the property is going to be positively geared or negatively geared and by how much.

The Best Way To Discover Potential Rental Income

There are multiple ways that you can find out the potential rental income of a property but there is one way that I recommend above all else and that is to talk to a real estate agent.

Unfortunately at this time computers are not smart enough to accurately estimate the potential rental income of a property. I have not seen a computer calculator that can accurately estimate this figure. There are just too many variables to take into account in terms of what the property has to offer, what condition it is in, what area it is in, etc.

However, real estate agents know their market inside and out. They work with the market and they both sell properties and rent properties. They are going to know down to the dollar exactly how much your property can rent for.

There are two ways I recommend asking real estate agents what the rental income of the property is going to be.

The Easier Way (Not As Accurate)

The first and easiest way is to speak to the agent who is selling the property. Say to them, “I am and investor and I am considering investing in this property what do you think the rental income of this property could be?”

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However, always take this figure with a grain of salt because this person has a vested interest in selling you this property. They make a commission when this property is sold so therefore they are more likely to give and an overestimate of how much the property going to rent for.

This figure therefore will be fairly accurate, however and may be slightly above what the property is likely to rent for.

The Slightly Harder But More Accurate Way

The second method you can use is to talk to another real estate agent in the area who doesn't have an interest in selling this property to you. They might be a competitor of the person who is selling you a property.

You can go to them and say, "I am an investor considering purchasing this property. If I purchase it I'm considering you as a rental manager. I would like to get a rental estimate for this property."

They should be able to provide you with the rental estimate and this is probably going to be more accurate than the one that the selling real estate agent is going to provide you.

However, you can get both of these estimates and then compare them and maybe take an average of what they say.

Talking to a real estate agent is the absolute best way to get an estimate of what your property is going to rent for.

However, if you are trying to analyse lots of different properties at the same time and you simply can't be bothered talking to a real estate agent then there are some things that you can do.

Work Out The Average Rental Yield In The Area And Apply It To Your Property

The first thing you can do is find out what the average rental yield of the area is. It might be 5%, 6%, 4%, 3.2%. It varies from area to area.

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To find out this information you can purchase a property magazine like Australian Property Investor and go to the back and find the average rental yield in the back of that magazine. There is a lot of awesome data in the back of those magazines. Alternatively, go to YourInvestmentPropertyMag.com.au, click on the top suburb section, type in your suburb and there will be a table that will give you the median gross rental yield of the area so you can see precisely what it is for that particular area.

You then simply take the purchase price of your property and you multiply it by the gross rental yield percentage and that will give you a rough estimate of what your property is going to rent for.

However, properties do vary so depending on what your property is, what condition, what area, etc, etc and this figure is unlikely to be accurate.

Look For Past Rental History

The third method that you can use is to look for past rental history of the property or of similar properties. You can find out past rental history by going to OldListings.com.au and by searching for the suburbs and then the street and then finding your property.

If you can't find your particular property then it might be worth looking for other properties that are similar to yours in the similar area and see what they have historically rented for and then make an estimate based on that.

Doing this strategy, however is actually probably going to take you a lot longer than simply calling the real estate agent. Nevertheless it can be done and sometimes you can be lucky.

There you have three different ways to find the potential rental income of a property. Again, as I said it's very important that you find this out so you can understand whether your property is going to be positive cash flow, if it's going to be negative cash flow or if it's going to be neutral cash flow which means it doesn't make money but it doesn't lose money either.

* * *

You can then go ahead and do your cash flow analysis and really work out what kind of profit you're going to gain from this property.

Your activity for today is to go out find a property and then try and find the potential rental income of that property so that you can go and do a cash flow analysis.

Day 23: Visit A Property Meetup Or Gathering

Property events and meetups are a great way to meet people on a similar path to you who can encourage you. Someone you meet or something you hear may just revolutionise your investing.

In today's episode we are talking about how property events and meet-ups will revolutionise your investing and how you can get yourself to one of these particular events.

Be Influenced By The Right People

In the bible it said, "As iron sharpens iron so one man sharpens another." (that's in Proverbs 27: 17, for anyone who cares).

What that means is that as you rub up against people (figuratively…not literally) and spend time with them they influence you. The goal then is to spend time with people who are going to move you forward in your investing career rather than people who are going to pull you back, stagnate you and cause you not to move towards the financial future that you want for yourself.

It's pretty hard to naturally just link up with people who are also investing in property and who are moving towards the life that you want. It just doesn't seem to happen in the lunchroom at work. It doesn't seem to happen in the cafes or in church or wherever it is you are going.

It's pretty hard to find people who are actively investing in property. But you can go out there and you can find these people and it's now easier than ever.

Get Yourself To A Property Event or Meetup

The easiest way to find property meet-ups or events is to use a website called Meetup.com. You can simply go there, you can type in your suburb and then you can type keywords.

* * *

What I suggest that you type is:

property
property investing
real estate

Simply type that into Meetup.com and it will then search your local area and find meet-ups that may suit your search criteria.

There might be property meet-ups that are run by local businesses, it might just be property meet-ups that are run by guys or girls who meet at the cafe. It might be full events that happen in your area. Depending on where you are, would depend on what is actually available.

If you're in a rural area it's going to be a lot harder for you unfortunately, obviously because there are less people in that area. However, if you are in somewhere like Sydney or Brisbane or Melbourne or the Gold Coast then it's going to be pretty easy to find some meet-ups within your area. I recently did a search for this.

I'm on the Gold Coast so I did a search for property meet-ups and I found about 5 different property meet-ups that I could attend if I wanted to.

Some of them were pretty serious ones, they had 40-50 people attending their events, they had a speaker at each event and all of this sort of stuff. The other ones were much more informal, just a couple of people meeting up for coffee.

Depending on who you are, where you're at, this can be a good place to go in order to learn more about property especially the ones that have a speaker or to meet people and talk to them about your investment journey and learn from them.

At the end of the day I think that the most value is found in networking with people rather than the talks.

* * *

When it comes to investing in property it can be hard to stay motivated because there are so few people doing it.

There's so much information you can find on the internet about investing in property through my site (see the archives) or through any other sites that are out there.

However, the opportunity to actually meet with people who are on the same journey as you, learn from them, be encouraged by them, inspire them yourself and help them grow is very rare online. So I do suggest going to these events.

The Best Ideas Sometimes Come From Mingling With Like Minded People

I run an internet start-up so for me there are very few people I know that do the same thing. However, there are meet-ups in my area that I go to on a consistent basis and often I don't get anything out of it (in terms of business) because my business is talking to you guys about property or talking about public speaking or whatever website I'm working on.

I don't need to get clients from these events or hang out with business partners or anything like that but I can go and I can talk to people who are in the same space as me. Even if they don't give me advice on my business or anything like that I just find that meeting up with these people, talking to them about their lives and their businesses just encourages me because I know that there are other people doing the same thing.

I think when it comes to investing in property it can be hard to stay motivated because there are so few people doing it, there are so few people going out there trying to actively invest in creating a passive income for themselves and a better financial future for their family.

Sure everyone wants it but there's not that many people doing it. By meeting up with people you can be inspired by them. It can keep you going and keep you focused on your end goal (on your financial True North) and keep you motivated to move forward.

That is therefore your activity for today. Check out a property event or meet-up. It's going to revolutionise your investing by keeping you motivated and you may just learn a thing or two as well.

Day 24: View A Property Research Report

Property research reports contain valuable data that can help you make a successful investment decision. Here are 2 ways to get a free property research report for your next property.

If you're investing in property and researching a particular property it's likely that you are going to want to get a property research report to find out all the details about this property.

A property research report is likely to show you things like a valuation estimate, comparable sales in the area, what the capital growth of the area has been like and other relevant details about the property like when it was previously sold.

You can purchase these reports and they generally cost you around $20 to $40 from RP Data. If you are serious about investing in a property and you are almost at that stage where you are going to make an offer then I still suggest that you go ahead and you purchase the RP Data report because what's $20 to $40 when you're looking at spending hundreds of thousands of dollar on a house?

Free Property Reports Are Easily Available If You Know Where To Look

If you are in your early research stages then getting free access to these reports is going to make your analysis a whole lot easier.

These reports aren't generally easy to find by typing in "free property report" into Google. You need to know where to look which is what I am going to show you.

There are subscription services like Real Estate Investar. This is a powerful tool and gives you easy access to unlimited amounts of these reports. However this service costs between $99-$250/month.

* * *

Unlimited reports isn't something that's readily available to the general public unless you know exactly where to look and that's what I'm going to show.

Property Report Data – OnTheHouse.com.au

The first place I want to direct you to is a website called OnTheHouse.com.au. This won't generate you a free property report (one of those PDF documents that you can print out) however it will give you the majority of the details that a property report will give you.

Things like:

Previous sales history
Estimated property valuation
Comparable sales data
Capital growth trends
Median price for the area

All of this sort of stuff is available in On The House. Simply go to OnTheHouse.com.au and search for your property. Search the complete address and it should come up and then click property profile and it will show you a profile of that property and give you access to a lot of these details.

On The House is a great tool, it doesn't have access to every single property on the market but most of the properties it does have good information about it.

BOQ Property App

If you really want a free report then what I suggest you do is download the Bank of Queensland Property App.

Simply go into the App Store whether you're on an Apple device or if you have got and android phone go into the Google Play Store and type "BOQ property" or simply type "BOQ" and then look for the Bank of Queensland

Property App.

If you are outside of Australia searching for this app then chances are you're not going to be able to find it. You do need to be in Australia to get access to this app.

Downloading this property app you can then get a free report sent to you. This is not a complete report like the one you would buy from RP Data. The data is provided by RP Data but it has less comparable sales and less figures in there. It however has the majority of the goodness and so if you are still in that early research phase then this is a great way to get access to a free report.

When using the app you simply type in the address,. Then you then need to put in your name, email address, phone number and then they will email the report to you.

You are going to get a follow-up call or email from the Bank of Queensland. By offering this they're hoping to get people's details and therefore convert you into a Bank of Queensland member or get a mortgage through them or something like that.

You are going to get contacted by them if you take this route, however, you can just say to them "look I just wanted the free report, I'm not actually looking to change banks at the moment".

So the Bank of Queensland property app is a great app that you can get access to.

There you have two different methods of getting a free property research report done.

Day 25: Choose The Right Property Investment Strategy For You

It's important to choose the right property investment strategy for you. This will maximise your chance of success and make you a happier and more passionate investor.

Today we are discussing how to choose the right investment strategy for you.

There are many different investment strategies that you can choose as investor and they all have the ability to make you significant amounts money.

However, not every investment strategy is suited to you and it's unlikely that you will be successful at every individual investment strategy. That is why it is important for you to find an investment strategy that suits your financial goals, suits who you are as a person and suits the amount of risks that you're willing to take in your investment portfolio.

Find Your 'Financial True North'

The first step that I recommend everyone takes is to find out what your 'Financial True North' is. In Day 1 we went through an activity to work out what your Financial True North is and the goals that you want to set for yourself.

In short a Financial True North is a goal that you set for yourself that balances your financial dreams with your lifestyle dreams. It is not just a financial figure that you want to achieve. It is the kind of life you want to achieve when you have that financial figure…and yes you need to consider your work ethic.

I use the example of the multi-billionaire Richard Branson. Yes he is a multi-billionaire and has a lot of money which we would all love. However, he works extremely hard and not all of us are willing to do that or to take the risks that he takes.

First find out your Financial True North because this will determine which investment strategies suit you. Some investment strategies suit someone's Financial True North better than yours and different investment strategies will suit your Financial True North.

Assess Your Options

The second thing to do is to then assess you options. I have created a full list of the 21 common property investment strategies in Australia. You can see the 21 different options that are there, read through the article and see which investment strategies stand out that you think may be good for you.

Narrow Your List of Options

The next thing to do is to narrow down that list of options. So rather than having 21 potential investment strategies you want to narrow down that risk to a maximum of 10 or preferably under 5 different investment strategies. When you invest it's highly likely that you are going to use multiple different investment strategies.

You might be buying and holding for both positive cash flow and capital growth. You might be renovating and subdividing. There are many ways that you can invest using multiple strategies.

However, if you are generally going to have one to two of those strategies be your primary strategies and then everything else is secondary to that.

To begin to narrow down the list, look at the list and trying to assess whether this investment strategy is going to lead you towards your Financial True North.

Personally my Financial True North is $60,000 in passive income per year where I don't have to spend a lot of time working on my properties. So for me positive cash flow is the perfect solution. It is a way that I can feasibly get to $60,000 per year and then once I achieved that there is little to no ongoing effort in order to manage those properties.

Research the Strategies

Once you've narrowed down the list it would then be time to do some more research into those particular strategies. You can search on Google for or read a book about your particular investment strategies.

If your particular investment strategy is positive cash flow for example then go through my website OnProperty.com.au or join my membership site On Property Plus. Learn how to find positive cash flow properties, how to analyse them and how to work out more about that strategy.

If it's renovation then do a course on renovation or look into renovation in more detail. If it is subdivision then find out how much it actually cost to subdivide properties and whether it's going to work with your finances.

Begin doing some research on the particular strategies that you think may be of interest. This research could be simple like searching online and and reading a few articles or it could be more intense research like buying and reading an entire book, going to a course or doing an online webinar.

It's up to you how in-depth you go into your research. At the end of the day you want to get to the point where you understand what is the best investment strategy for you so you can take the next step.

When it came to positive cash flow property, it took reading the book by Steven McKnight called From 0 to 130 Properties in 3.5 years to really click in my mind that positive cash flow was the investment strategy that I wanted to use.

It's very important to understand that all of the investment strategies that I have listed have the potential to generate you great wealth. One is not necessarily better than the other but one may be better for you personally than other strategies depending on who you are.

You could do all of them and be successful with all of them. But finding one that suits you and then excluding the rest and becoming a master at that one strategy gives you a higher chance of success.

Talk to People Who've Used the Strategies

The next thing I would try and do is to talk to people who have used that strategy. After you have done some research and decided that you want to invest a certain way then the next step would be to talk to some people who have used that investment strategy.

You can find people online in forums like PropertyInvesting.com or Somersoft.com and talk to people in those forums. You can attend meet-ups or events in your local area (which I talked about in Day 23) or you can try to find or pay for a mentor as well.

Try to talk to people who have used this strategy. Ask them about the pros and cons of the strategy and what difficulties did they face with the strategy. Learn from them as much as possible.

Choose Your Strategy

Lastly would be to choose your strategy once you've done your research and talked to people. It may be hard to choose. It might be easy to choose.

Once you do choose you'll want to master that strategy. Master it through education and learning as much as possible about that particular strategy and then master it through actually implementing the things you learn and investing in property.

It is okay to change your mind along the way. However you should always have a plan and a strategy in mind that you're working towards.

You just want to be careful of what people call 'shiny object syndrome'. That is when you have a strategy, you are investing and it is moving you towards your goals but all of a sudden you attend a seminar and someone talks about a new way of investing and you see it as this shiny object and abandon what you were doing to go after a strategy that may not necessarily work for you just because it's shiny and its new.

It is therefore important to stick to your path and try to master the strategy that you have decided on. If you have to change course along the way so be it. When you change to a new strategy then decide to become a master with that new strategy as well.

Day 26: Become A Member Of Property Forums

Today we are talking about the Australian Property Forums you need to be a member of if you want to be a successful investor and if you want to get your questions answered.

Online property forums are a great way of connecting with people and learning a lot about property investment that wouldn't come up in a podcast or a blog post or in a magazine, but you can actually learn from people's specific experiences and that is very valuable. Sometimes a lot more valuable than the content you might consume from something like my blog (or even this ebook).

There are only two major property forums that you need to be a member of.

PropertyInvesting.com Forum

The first one is Steve McKnight's forum. Steve McKnight is the best-selling author of "From 0 to 130 Properties in 3.5 Years" which if you have been following me for any amount of time you would know that this is the one book that got me hooked on to positive cash flow property.

He has his own forum dedicated to property investing. There are a lot of members on there and it's a very active forum so it's a great place to go and to ask questions or to see what other people are asking and to see what you can do to help.

Somersoft.com Forum

The other forum that you need to be a part of is Somersoft.com. Truthfully, I don't know who created Somersoft or how long it's been around or anything like that but I do know that it is again a very active forum, a place where you can get your questions answered and you can see what other people are asking.

I remember when I was on these property forums years ago, back when I started On Property which was then called Cash Flow Investor and I remember seeing a lady's story about how she turned a negatively geared property into a positive cash flow income for her by selling through owners finance.

She was in a bad market; she had just had a divorce and she was losing money on this property and she couldn't afford to give her kids treats or to buy her kids presents and she was just having a miserable time. She ended up selling that property via owner finance and she was actually generating a positive income from that property.

Stories like that just stick with you.

Read her story in full.

Those stories that you hear of people and the way that they achieved something or the way that they are struggling with something tend to stick with you and you learn so much from it.

That story I haven't actually been able to put into action in my own life but I know that if I was ever in a similar situation that I could potentially take similar steps to get myself out of that situation and into a positive cash flow scenario.

Those are the two property forums that you need to be a part of.

Activity: Go Into These 2 Property Forums and Ask One Question

Your activity for today is to become a member of PropertyInvesting.com and to become a member of Somersoft.com and to ask one question on each of the forums.

Go on to the forums, ask a question that you have about property investing or mortgages or some finance strategy that you've heard about.

Go on! Become a member, ask your question and then see what responses you get. You may be surprised as to the responses you get, you may learn a thing or two which is what we're trying to do.

You may even meet some people in the process of it or make some contacts that can help you when the time comes to buying your particular investment property.

Day 27: Teach Someone Else About Property Investing

Apart from actually investing in property this is the absolute best way to learn about property investment. The best way to learn is to teach, and here is how you can teach.

In order to become a successful investor you need to be an educated investor. There are so many things you need to learn about the property investing market if you want to be successful. Therefore, becoming educated in all of these aspects is very important if you want to make the right decisions and purchase properties that will move you towards your financial goals.

However, learning about property is not always easy and so there are a few ways that I think you should learn about property and one way in particular that stands far about the rest as the best way to learn about investing in property.

The Best Way To Learn About Property Is To Teach It

Apart from actually going out and investing in property I found the best way to learn about property investing is to actually educate other people. That’s right, I’m asking you to go out there and to actually help other people with their property investing and help to give them advice.

Now, I’m not telling you to act as a financial planner. I’m not telling you to give financial advice. I’m telling you to go out there and give encouragement to people, offer your help and support and rather than give advice just give them helpful hints.

I always avoid giving people specific advice about exactly what they should do. However I always try and give people advice about different ways that they can think about things and the thought processes that they should be going through in order to come to a decision themselves.

* * *

You never want to make a decision for someone but you always want to help then make that decision for themselves and help them to understand what's the best way to do that.

Property Forums Are A Great Place To Start

The best way that I have found to help other people apart from my blog and the podcast that I run is to actually go on to the property investment forums and we talked about yesterday – PropertyInvesting.com and Somersoft.com and help people with their problems.

The great thing about property forums is that every single day there are people asking new questions about investing in property. These questions are generally highly specific to their particular circumstances or particular properties that they are looking at. Every day you go on there, there is something new, a new problem that you can tackle and that you can help people with.

Your Activity For Today

The activity for today is to go on to one of these property investment forums, find someone's questions and do your best to answer their particular question in an encouraging way.

You don't want to shoot people down or make people feel stupid instead you want to encourage them to keep looking because often people at the start of their property journey think that it's going to be super easy. "I'm going to buy 10 properties in the next three years and be financially free earning $180,000 dollars per year by the end of those three years."

However, the longer that you are at it (as long as you stay at it) you realise that maybe it's not as rosy as you originally thought but you know that this is something that you can achieve and that financial freedom is a possibility for you.

* * *

Always Be Encouraging

However, you generally need to get through that over optimistic phase of your investment journey in order to get to the realistic phase where you are going to take action.

Therefore you always want to encourage people, even if they're overly optimistic and think that they can become a millionaire overnight.

You Don't Need To Be A Guru

You may not feel that you are educated enough in order to teach people but the truth of the matter is in order to teach people you just need to know a little bit more than them or you need to have a different perspective to them.

I haven't invested in property myself yet. Circumstances in my life and the way that I have gone after my financial dreams (I quit my 6-figure job to move to the Gold Coast and go into business for myself) have meant that it's currently not viable for me to purchase a property.

However I love property investing. I learn about it every day and I talk about it all the time. I may not know as much as Steve McKnight or the property gurus out there but I do know a lot about property and I can help a lot of people through my knowledge.

You may feel like you're not educated enough in order to help people but you don't have to be extremely educated. You just have to know a little bit more or have a different perspective or even just encourage them in their property journey.

Therefore don't be afraid to give some helpful tips or some insight if you feel like you're not far enough along in the property journey. Anything that you give is going to help that person and you never know the one thing that you say and the different perspective that you offer might be the thing to click it for them and to change the way they think about property investing and send them on a path of successful investing.

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So get out there and get on to one of the property forums. Find one question and give your own advice.

Get in there and get dirty and teach people because that is hands down, the absolute best way to learn about property investment apart from the fact of actually going out there and investing in property yourself and learning through experience.

Day 28: Find Cheap Investment Properties Using The '2 Hour Rule'

Today I'm going to talk about how to use the 2-Hour Rule to find cheap investment properties.

A lot of you who live in capital cities will find it very difficult to get into the property market because it is so expensive. However by using the 2-Hour Rule you can find yourself very affordable properties and you may be able to get into the market much sooner.

Many People Living In Capital Cities Are Priced Out Of The Market

A friend of mine who lives in Sydney was recently looking at purchasing two to three bedroom properties and in the area that he was looking in a two bedroom unit was costing over $800,000.

Many of us can't afford $800,000 and we need to start investing at a lower entry point. In some circumstances you may not be able to afford to buy a property in the suburb you live in.

Rather than trying to save for 24 years to save a large enough deposit to purchase your dream home in your dream area, sometimes it makes sense to instead go outside of where you want to live and purchase an investment property in another area.

How The 2 Hour Rule Works

The 2-Hour Rule works like this:

Simply go 2 hours drive from where you are and you will almost always be able to find very affordable property.

Let's use Cronulla, which is on the southern beaches of Sydney as our example.

Cronulla is a very expensive suburb, however if you go 2 hours north of Cronulla you will find yourself on the north of the Central Coast and you can find properties up there (2-3 bedroom houses) for under $300,000.

If you go 2 hours south you will find yourself in Nowra where you can find 3 bedroom houses for around $300,000-$350,000. If you go 2 hours west then you find yourself in Lithgow where again you can find 2-3 bedroom houses for around $350,000-$400,000.

As you can see just by going 2 hours away from wherever you live you can dramatically decrease the price of an investment property.

Why 2 Hours?

The reason I like two hours rather than one hour or three hours or seven hours is that two hours is something that you can comfortably drive in a day. You can drive there and back in one day.

It will be pretty tiring but it is possible to do. A lot of us travel at least two hours every single day commuting to and from work. Two hours is a good time slot if we need to go and inspect the property; if we need to do maintenance on the property or whenever we want to go to open houses in the area then we are able to do that within that two hour mark without too much effort.

If you are trying to look into somewhere that is really far away, well then obviously it’s going to be a lot more difficult to do all these things and will likely require overnight accommodation.

The 2 Hour Rule Doesn’t Guarantee That Area Is A Good Investment

The 2-Hour Rule doesn’t guarantee that the properties in those areas are going to be good investments or that the area itself is going to be a good investment. I always recommend that you do your own research first before investing in any area.

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You need to look into things like population growth or decline of the area, infrastructure in the area, what's the job market like in the area, and what it is expected to be in the future. Look as well into the suburb and median prices and capital growth trends and things like that.

This will give you a better understanding of the suburb and how the suburb might perform and then you can begin looking at individual properties and how is that compared to the market of that suburb so you ensure that you don't buy property overpriced.

There Is A Better Chance For Positive Cash Flow

Another good thing about going two hours out into these cheaper areas is that you may find the potential for positive cash flow in these areas. Because the properties are cheaper you may find a higher rental yield in these suburbs than you would find somewhere like Cronulla in Sydney where rental yields are something like 3% or 4%.

Higher rental yields mean it may be easier for you to turn a property into a positive cash flow property.

Why not give it a try?

Go on your phone or go on the internet to Google Maps and just look at where you are and work out what is about two hours drive from where you are.

Go north, south, east and west if you can. Look around those areas and then go to realestate.com.au and look at the suburbs you find, see how much the properties are and then if it's around your price range then you can go ahead and do some more research into that area.

So that is the 2-Hour Rule.

I found it very valuable and I know a lot of other people have found it very valuable as well.

Day 29: Find A Good Conveyancor or Solicitor

When you are either purchasing or selling a property you will need to get the assistance of a conveyancer or solicitor in order to organise your legal documents and process the contract of sale.

Unless you are a lawyer yourself then almost certainly you are going to have to hire a conveyancer or a solicitor.

Solicitor vs. Conveyancer

Conveyancers and solicitors do differ slightly.

Solicitors

A solicitor is a fully-fledged lawyer. I guess you would say and they are able to do contracts of sales and everything around property. They can also expand into other areas as well.

Solicitors do tend to be more expensive than conveyancers. However they have that extra expertise. So if things go outside of conveyancing or become difficult then a solicitor is well equipped to handle that.

Conveyancers

A conveyancer is like a limited solicitor. They are just there to manage the contracts of sale and they don't practice other sorts of law.

Therefore, if you have major issues with the contract of sale or if your contract goes pear-shaped and you need other legal assistance, then a conveyance probably isn't going to be able to help you. If that happens then you are going to need to hire the outside help of a solicitor.

Whether you choose a conveyancer or solicitor is up to you. A conveyancer is going to be more cost-effective but limited in what they can do. They should be fine for most contracts. However, for the more complicated ones you may need to use a solicitor who is going to be slightly more expensive but obviously has the knowledge and expertise to help you on all aspects of your contract.

How to Find a Good Conveyancer or Solicitor

#1: Talk To Your Friends

Most people in this country now have bought or sold property at some stage. Chances are you've got family or friends that have bought and sold property in the past. They would have had to hire a conveyancer or solicitor and will have feedback on whether they were good or not.

They may have to dig into their archives to find out exactly who that person was but if they had a good experience then that is a great place to start.

Side note: Always be careful as to the recommendation you get from the real estate agent that is in selling the property. There may be a conflict of interest with the seller. You don't want to use the same solicitor as the seller. Also the real estate agent will likely get a bit of a commission or a referral fee and that may taint their recommendation.

#2: Look at Online Services

Another way to find a solicitor or conveyancer is to look at online services. There are many online services that offer you free quotes for conveyancers or solicitors.

I always recommend that you get at least three quotes. Although with Google you can often get more than three quotes really easily without ever having to talk to people on the phone.

So a good thing would be to just go into Google and search for a conveyancer or solicitor in your particular area or search for highly recommended solicitors or conveyancers.

Find a few and then try to get some prices from them. That way you can compare prices and choose the best service for your price range.

#3: Look at Online Property Forums

Another great way to find a good conveyancer or solicitor is to go into the property forms. We talked about property forums in Day 26 and you should have already signed up for PropertyInvesting.com and Somersoft.com.

If you want to find a good conveyancer or solicitor then you can go onto one of those forums and start a new forum thread. Then you can ask a question like "Can anyone recommend a good conveyancer or solicitor for my area?" and then specify the area you're in.

You should most likely put in your state because generally conveyancers and solicitors are state-based. Then you can get some recommendations from people.

Often there are conveyancers and solicitors that are very active in the forums that people will recommend or people may have used one themselves and they can recommend that service. So if you can't get the help from friends and family then this is probably the next best thing that you can do.

#4: Try the Website Think Conveyancing

Lastly, if you don't want to do any of this then simply go to thinkconveyancing.com.au.

I haven't actually use these guys myself but I was just talking yesterday to the owner of the website. His name is Chris and he's an awesome guy so I thought I may as well give him a plug because he covers areas all over Australia.

He's got solicitors or conveyancers in every state so wherever you are they are going to be able to help you. That is therefore an easy option. Again I haven't use them so I can't review them but Chris sounded like a really good guy and I would expect that you would get good service from them even though I haven't tried them myself.

There you have four different ways that you can find a good conveyancer or solicitor. Again I primarily recommend getting a recommendation from your friends or family. If you can't get that then going in to the property forums or searching for someone on Google would be your next best bet.

Day 30: Write A Cheque To Yourself

To finish off the 30-Day Property Journey I've got a fun activity. Write a cheque that will change your life.

This is something that I did many years ago that I found very inspirational and very helpful to me and I think you're going to find it inspirational and helpful as well.

What Is the 'Magic Cheque'?

Well this cheque actually comes from the book 'The Secret' which you may have heard of or even read yourself.

We talked in Day 1 about setting your Financial True North which was really about balancing your financial goals with your lifestyle goals. Rather than just having a financial goal we mixed it to contain both the financial goal and something that matched up with the lifestyle that we want.

Yes, we all want a billion dollars. But most of us don't want to do the work that is required to have and keep a billion dollars. Therefore by matching up what we realistically want to achieve with the lifestyle that we want to live we can get a more accurate figure and something that we can shoot for.

For me that's $60,000 per year. For you, it may be more or less depending on what your goals are.

So with the magic cheque what we do is simply print out this cheque and we put down what our Financial True North goal is. Basically we would write down how much we want to achieve on that cheque.

If you want to get a check that you can print out then you can do what I did back in the day. Go onto Google and just search for 'the magic check' or "the magic cheque" and you will find printable versions of this cheque.

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You'll find a blank cheque online that you can print and fill out. All you have to do is write down your name and how much money you want to earn.

About five years ago I did this myself when I read The Secret and I put in $100,000. The goal is to put that check somewhere where you look at it on a daily basis so that you can constantly be reminded of it. I did that for a little while but then I packed it away in a book and honestly forgot about it.

Still I had that goal in mind of earning $100,000 in a year. And even though I wasn't looking at that check for $100,000 and imagining myself with the money, that goal was always in the back of my mind.

I didn't actually realise it until the other month when I was getting rid of some of my old books. I took them to a used bookstore and the lady was checking out the books and she found the check and gave it to me. Once I saw it, it sparked my interest again and little did I know that I'd earned $104,000 the previous financial year. So I'd actually exceeded my goal.

That was pretty exciting for me to see that I had actually achieved something that I had set out to achieve a little over five years ago.

I am not 100% percent sure whether I buy into the idea of The Secret. If you read the book it talks about imagining the life that you want as if you have it and that if you do that then the universe will give you what it is you want.

They call it the 'Law of Attraction' and the idea is that you attract into your life what you already believe about yourself or believe about your life. So by already believing that you have achieved your goal you attract that into your life.

I'm not sure if just believing about something means that it's going to happen. What I do know is that from my own personal experience, doing the activity of creating the magic cheque and then sitting down and imagining what my life would be like with this amount of money helped give me a goal. My goal began to seem attainable and I began working towards that goal and eventually achieved it.

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I'm not sure if I achieved my goal because I wrote the magic cheque. I worked pretty hard in order to earn that money.

But I think that just the activity of sitting down, setting a goal and imagining yourself achieving that goal really helps you get clarity into where you want to go and keeps you focused in moving towards that goal. The fact is your long-term success doesn't happen overnight. It happens one day at a time.

So if you know what your goal is and you have that vision in your mind, then you can begin to work towards that despite everything else that happens. You can keep moving towards your vision and hopefully achieve your goal.

For me it is time to write a new cheque and that would be a cheque for $60,000. And rather than just earning $60,000 in a year, my goal is to have $60,000 a year in passive income.

Or I could also and write a magic cheque for how much I'd like to sell my business for one day down the track so that I could imagine that happening and what that would look like.

So what is your goal? What is your Financial True North? Why not go and get a magic cheque printed out?

Set yourself that goal and put that check somewhere where you can see it and imagine yourself having actually achieved that goal so you can get the clarity and focus that you need to move forward.

Conclusion

I hope that you have enjoyed the 30-Day Property Journey where I have provided you with 30 different activities that you can do to move yourself towards buying your first investment property.

The idea for the 30-Day Property Journey came about because I had just written my book called The Essential Guide To Buying Your First Property In Australia. In that book I talk about the 21 steps required in order to purchase your first property and I just thought that there were so many activities that people could do that would begin to move them towards some of those steps and help them become more confident investors.

That finishes our 30-Day Property Journey. Thank you for taking this journey with me. I had a great time creating these lessons and I hope that you had a great time consuming them. I also hope this really helps you to move towards buying your next investment property.

Until next time stay positive!

More Products

For More Information On Buying A Property

If you want more helpful information on buying a property check out my other products.

The Essential Guide To Buying Your First Property In Australia (ebook)
In this ebook I identified the 21 major steps you need to take if you want to buy a property in Australia. Minimise overwhelm by knowing exactly what the next step in your property journey is and focus on completing that step. You don't have to be in the dark any longer, this ebook will give you clarify into the buying process.

Property Tools (online software)
Before you purchase a property it is important to understand how it will affect your bottom line. Will it be positively cash flowed and put money in your pocket every month or will it cost you money every month (and how much). This online tool will help you calculation the estimated cash flow of any property in seconds.

Simply enter the purchase price and rental income of a property and get an instant estimate. You can then enter more details to get a more accurate result. A must have tool for property investors.

On Property Plus (membership site)
If you are interested in investing in positive cash flow property in Australia but don't know where to start then this is the resource for you.

Lessons on how to find positive cash flow properties yourself and a new positive cash flow property listed (with full details) every single day. It's the easiest way to find positive cash flow properties.

Plus I have many more ebooks and courses in the pipeline so stay tuned to OnProperty.com.au for details about those.