

Property Template Instructions

Irrespective of whether you have one property, or one hundred properties, it's essential that you have a clear understanding of how those investments are performing. A saying worth remembering is "your job as an investor is not to buy property, but to manage your investments and maximise your profits".

If you have some investing experience and an existing portfolio, then this is where you need to start. Before running out and purchasing more property, get to grips with the current state of your portfolio... What do the real numbers tell you? How are your current properties performing against plan? Was there even a plan in the first place?

Definitions

To assist you in completing the worksheet, the definitions of the terms used are:

- **Date Purchased:**

This is self-explanatory. Use the contract date rather than the settlement date though.

- **Address and Description:**

Pretty self explanatory... just note down the address and a brief description of the property (e.g. 3 Br / 2 Bath Townhouse in good area).

- **Growth / Income:**

Note down whether you purchased the property with an income or growth profit in mind.

- **Net Purchase Price:**

This includes the contract price paid, plus all closing costs.

- **Current Value:**

Your estimate of the current market value of the property. If you have just purchased the property, write down the net purchase price.

- **Loan Owing:**

The current balance owing of debt secured against the property.

- **Net Equity:**

Your net equity is the difference between the current value and the loan outstanding.

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- **Cash In:**

The total amount of the cash income that you'll receive during the year.

- **Cash Out:**

The total amount of the cash payments that you'll make (including loan payments) during the year.

- **Cashflow:**

The cashflow surplus or deficit as a result of total cash income less total cash payments.

Note: for the purposes of the Property Portfolio Summary, I want you to ignore any depreciation adjustments.

Interpretation

As you review the numbers on your portfolio, start to think about the following questions. Be honest with yourself!

- What was your plan for each property when you bought it? (Did you actually have a plan?)
- Do you have any benchmarks or performance targets in terms of growth and income, to know how well your properties are performing?
- Has each property performed against your plan or expectations?
- Has each property met your expectations for growth to date?
- What are the realistic prospects for growth over the next 1-2 years?
- Has each property met your expectations for income to date?
- What impact does the net cashflow (positive or negative) have on the profitability of your portfolio?
- How much equity is currently tied up in the properties?
- What return (combined annual growth and net income) are you currently achieving on that equity?
- What actions (if any) are you taking to maximise the potential returns from your portfolio?

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- What is your 'exit strategy' for each property? In other words, at what price and under what circumstances would you actually sell? (Note: "Never" is not an acceptable answer!)

Try to form an honest opinion about the state of your property portfolio. Is your equity working hard and getting you the maximum return on your money, or is it getting fat, lazy and slow?

If you don't have any investment property (yet) then just work out your starting position:

- How much cash do you have saved?
- What is the worth of any other (non-property) investment assets (e.g. shares) that you own?
- How much equity do you have in your home (if you own your principal place of residence)

Further Help

If you need any further help or assistance then please make a post on the [Propertyinvesting.com](#) forum boards.

RESULTS Mentoring

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