

Rentvesting

An Investor's Guide



Get out of the deposit saving spiral
and get into your first property

Welcome



Brush aside your assumptions of the attainability of property! It might seem far away, but there are ways to make the system work for you, rather than against you, so that you can get into property earlier and for less upfront costs.

The traditional way of thinking about property is to purchase the home you live in, then to eventually make enough money to buy another one far in the future once the loan is paid off. But this is crazy! Not only are you paying a ridiculous amount on loan repayments, but it takes years to pay off even a portion of the total loan amount.

There is a better way!

The principles of Rentvesting are all about affordability; how property can be more affordable for everybody. Traditional thinking suggests you should purchase the home you live in, but what if you were to purchase somewhere else? What if it was cheaper for you to buy a property to rent out and for you to rent where you live?

This is the principle of Rentvesting, and we believe that leveraging it can help you make your financial future grow with a winning formula.

Kind Regards,

Stephen McCarthy
Managing Director
McCarthy Money



What's my current situation?

You work every day trying to make the money needed for a deposit. You save all the money you can, wherever you can. All in the hope of being able to put up a deposit for a home. But at the end of that entire process, what do you have to show for your efforts? Let's say you buy a home, what then? Countless years of paying the loan off, massive interest amounts and no money coming in other than your income!

Wouldn't it be better to have a consistent stream of money coming from an investment, so that you can make all of your repayments much more easily, and also afford to rent somewhere else?



But I don't have a deposit!

This is exactly the thinking that stops conventional property investors from getting started, the dreaded deposit. But what if you could own a property with a small deposit, or no deposit at all? Equity pledges can be used to make the banks look at an individual with little existing capital, and be much more favourable towards them when giving out money for a home loan.

We would suggest that every individual should be saving, and while there are systems to help out those who haven't, why not start making a change to saving today? By saving you reduce your overall risk to the banks, and make the process of purchasing property much easier.

How Does It Work?

Rentvesting is all about affordability. If you purchase the home that you live in, how do you pay for the loan? Traditionally your income is the only thing keeping you afloat. Rentvesting removes the limits; why pay for a loan yourself when you can be helped by a paying tenant and the tax office?

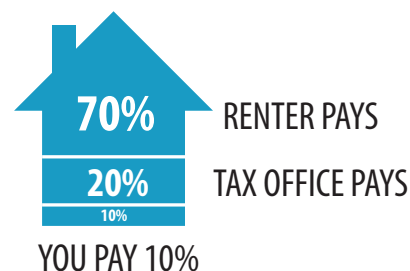
Own a property, rent it out as an investment, and get the tax office to help out with the rest.

It's that simple!

OWNER OCCUPIED



INVESTMENT

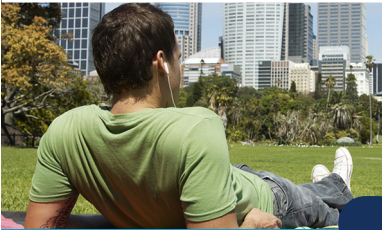




LIVE WHERE YOU WANT INVEST WHERE YOU CAN AFFORD

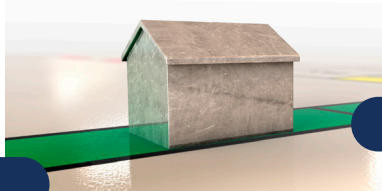


RENTING



Have the flexibility to live wherever you want. If you like the city, then get in there! What you wouldn't be able to afford when buying, you can by renting!

INVESTING



plus

Put your money into a property which you can afford. Rent the property out and then use the funds to pay off your loan and live where you want with what's left over.

equals

EQUITY



With rental income, tax benefits and capital growth all working for you, an initial deposit may become a massive boost to your financial situation over both the long and short term!

GROW YOUR FUTURE WITH SOUND INVESTMENT STRATEGY



WHAT IS THE RISK?

There is risk attached to every investment. Markets go up and down, and it is difficult to determine when they will do so. At McCarthy we use the property cycle to determine what stage an investment area is at in terms of affordability. You can buy at any time and still experience growth, as well as rental income and tax benefits, however it is typically best to purchase during slumps where prices are low.

If you want to know when the best time to buy is, just give us a call and we'll help you determine the best time frame for investing.



WHAT IS THE REWARD?

Investment properties have got a number of proven benefits to investors; capital gains, rental income and tax benefits, to name a few. With over 15 years working with property in Australia, McCarthy has the experience to determine exactly where is best to invest, lowering your overall risk and increasing your potential for return.

Rentvesting principles can help reduce weekly costs of owning a property, and help take the burden off new investors to meet repayments and stay afloat with the cost of living.

RIISING PROPERTY VALUES ONLY WORK FOR YOU WHEN YOU'RE IN THE MARKET



Frequently Asked Questions

01 Why Shouldn't I Just Save for a Deposit?

By saving for a deposit you waste time trying to catch up to the market. If you keep waiting and the market keeps growing, how do you even start? Even looking at the median house price over a 5-year period in Sydney shows capital growth of just under \$400,000! Do you think you could have saved by getting in just a little earlier?

02 Can I Bring in a Partner?

YES! Investing is made significantly easier when you have a larger pool of income and assets. By having a partner, and thus a larger deposit, you can afford a property which offers greater return from rent and capital growth. Partnership agreements must be drawn with the help of a solicitor, just get in touch and we'll arrange something for you.

03 What Kind of Property Should I Be Looking to Buy?

The property to buy is the one that you can afford, with the highest likelihood to make rental return and capital growth. It all comes down to affordability. If you have a deposit to purchase a million-dollar home, then do so and reap the rewards. If you can't, then look for something more in line with your purchasing power.

08 How Do I Get Started?

You can reach us on any of the channels listed below. Phone calls can be made anytime during business hours on weekdays, emails and the website are available 24/7. As soon as you've registered your interest with us, we'll get in contact with you, so you don't even have to worry about getting in touch!



04 What Kind of Tax Benefits Can I Get?

Investment properties have a number of tax benefits that owner occupied properties do not receive. Tax incentives in the form of deductions help you make the entire process more affordable, and ultimately makes Rentvesting a more stable investment than an owner occupied home. You can see the full list of available deductions on the ATO website.

07 What Does McCarthy Offer Me?

With over 18 years' experience in property investing, we are in a unique position to offer you expert guidance on the best places to invest. McCarthy also offers holistic financial services, so not only can we arrange to build the property, but we can also manage it, finance it, and even do all the tax work!

06 How Can I Manage the Property?

McCarthy offers a complete service package, meaning that we can guide you through the entire investing journey.

McCarthy property managers are just one of the ways we can help make investing easier, providing concise reports and tenant management

05 How Much am I Going to Need?

The amount of capital needed to start investing is dependent on what you can afford. Property is highly variable in terms of price, so all that is needed is for you to sit down with a McCarthy professional who can guide you through the investments on offer, to settle on one that best suits your needs.

If you have any other questions regarding the above, or want to speak to us about getting started with Rentvesting, contact McCarthy Money on your preferred channel below.



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