



IDEAL MORTGAGE Co.

Property & Equipment Finance

www.idealmortgage.com.au

Frank Sokac

PO Box 207 Alderley Qld 4051

M 0421 349 489

F 07 3366 0507

E frank@idealmortgage.com.au

Thinking about Property Investment

Property investment is generally perceived as the safer option of investing as opposed to shares. To enter this market you need more capital than you would require with shares. Banks consider property safer than shares and this is why they will lend more percentage-wise on property.

Under current lending climate you will generally need at least 10% cash deposit or have at least \$100,000 equity in your home. With only 10% deposit you will also have to pay mortgage insurance on top of your legal costs and stamp duty. Mortgage insurance is tax deductible on investments.

Steps you should consider:

1. Review your present financial position to see how much per week you could safely afford to pay on top of your current commitments, whilst at the same time enjoying the lifestyle you are accustomed to.
2. Find out how much more you can borrow based upon your income, commitments and rent to be received.
3. Seek professional help before you make any decisions as this is a big commitment. This can be in the form of a mortgage broker who specialises in property investment and will prepare a written property investment analysis for you to consider. You can take this report to an accountant or financial adviser for consideration.

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Dip Fin Services (Financial Planning) – Cert IV Mortgage Lending - Two Cert IV's in Real Estate