



PROPERTY FLIPPERS AUSTRALIA

CREATIVE FINANCING

If you don't have the ability to service a loan from any of the banks pictured below there are other creative ways to get a property deal over the line if it is shown to be profitable.

We are going to introduce three creative ways to finance a property flip which do not look at your serviceability but look at the property deal and if it is profitable. These include:

Private Lenders

These are banks that operate outside of the national credit code. They basically have big pots of investor money that they are looking to place into high yielding investments. These banks will look at your property deal and decide if it is profitable enough to invest into. They do however normally only provide 60-70% LVR with you needing to top up the cash from somewhere else.

Joint Venture Partners

There are three different categories of value that someone can bring to a property renovation deal. These include the time to find a deal or having a deal already, the finance or cash to purchase the property and the experience or know how to renovate the property ready for market. When people partner up like this it can mean the difference of making 50% of something rather than 100% of nothing. This can also be a great way to learn the property flipping process.

Money Partners / Investors

There are people who may have no time or expertise to find and renovate properties to flip but they have money to invest. These are great people to speak to when you find a deal as they invest money into your property flip and get paid a 10-20% return per annum on their funds.

After reading this you might be thinking why would someone who doesn't know me lend me their funds for a property flip. Great question. To provide them with the information to conduct their own due diligence you can create an "Information Memorandum" document containing a Comparative Market Analysis to give them confidence in your numbers. This includes all the information about the project. We teach you how to obtain the necessary details inc page by page until you are confident in this process. You will also need your own property lawyer to draw up contracts and represent you in these matters and we can recommend someone to you.

