

# Finance



# Finding Money



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# Raising Money

- Every deal **MUST** pay
- “If the deal is right, the money will come to the deal”
- Angel Investors
  - Straight Interest Angels: pay them interest only (e.g. people with jobs who have money, but no time)
  - Joint Venture (JV) Angel Investors: come into the deal together
- Equity release (e.g. own and other properties)
- On first deal go for high cash-flow to cover interest payment for equity release mortgage
- Do re-financing on investment property only once
- Sourcing: pass on deal to other investors for a fee
- Syndicates: bring a group of investors together for a large deal
- Seller Deposit Finance:
  - Seller with a lot of equity lends you the deposit
  - Have loan agreement and pay them interest
  - No money down deal (i.e. seller pays you the deposit to buy his house!)

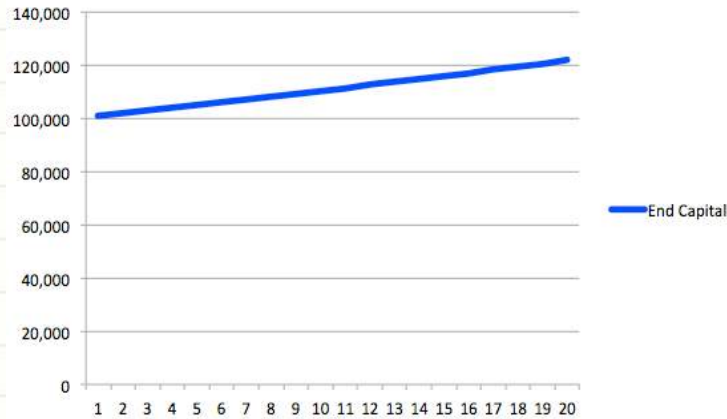
# Financing Options

- Mortgages / Housing Loans
- Bridge Loans
- “Creative” Financing
- OPM

**Is having debts “good” or “bad”?**

# The Power Of Leverage

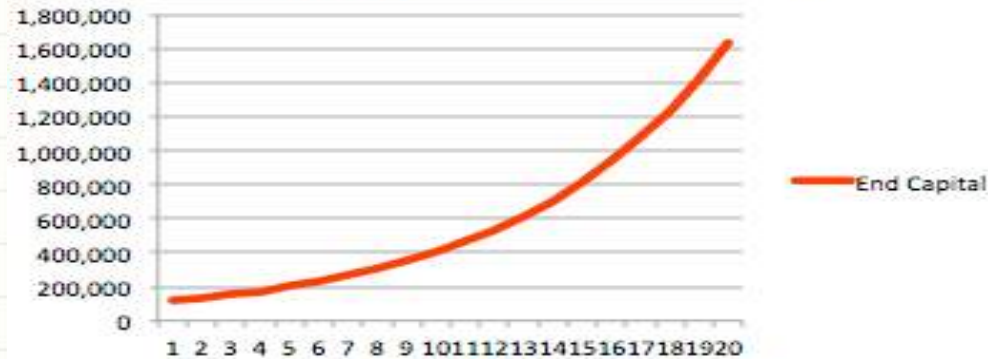
**Bank Deposit (1%)**



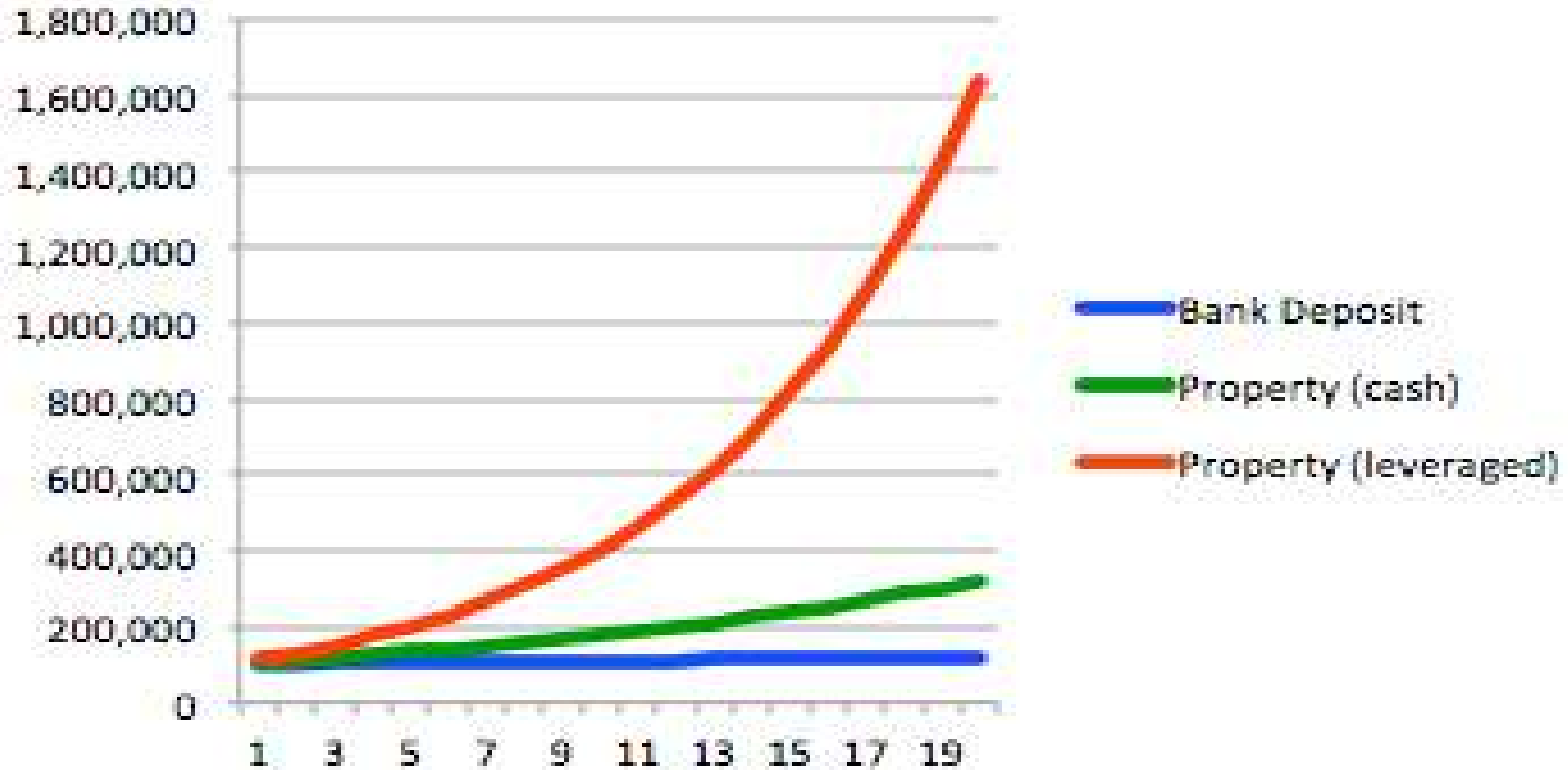
**Property (Cash, 6%)**



**Property (6%, 75% leveraged)**



# The Power Of Leverage



Bank Deposit: 1%, Property 6% yield, Leverage 75%