



# 4 TOP TIPS

...TO HELP YOU  
CLIMB THAT  
NEXT STEP OF  
THE PROPERTY  
INVESTMENT  
LADDER

## HOW ARE ALL YOUR EXISTING DEBTS LOOKING?

One of the first things that your lender will look at when assessing you for an investment loan is the level of debt that you are currently maintaining.

In addition to your existing home loan, they also take into consideration any other debts you may have including personal loans, car loans, student loans, credit cards, store credit financing, outstanding bills and so on. The more of these you have on the go, the more impact it will have on your credit score with a lender.

## WHAT IS YOUR TOTAL DEBT CAPACITY RIGHT NOW?

Another thing the lenders take into consideration before approving your investment loan is your capacity to get into more debt. That means that your credit cards could be reducing your borrowing capacity, even if you have a zero balance.

In order to increase your borrowing capacity, it is therefore recommended to cancel the extra credit card and loan facilities that you don't really need. You'll also save money on annual fees and this could help to minimise your outgoing expenses, as mentioned earlier.

## ARE YOUR FINANCIAL RECORDS SHIP-SHAPE AND UP TO DATE?

One of the most common reasons why property investors find their borrowing capacity is limited is because they don't have up-to-date financial information to prove their income and financial position to the lender. Your tax return is the best proof of your financial position and earning capacity that you can provide to a lender, so it is very important to keep them (securely) on file and easily accessible by you.

## HOW'S YOUR TOTAL EQUITY LOOKING?

If you already own a home or an investment property[s], accessing the equity can increase your security position and help you fund another property purchase in some cases with using your cash deposit.

#Property Investor tip: Your equity is the difference between what the house is worth today, and how much you owe against it.

You might also want to consider ways to add to the equity in your existing property by making improvements or renovations. This can be a fast way to increase your borrowing capacity, so you can get into your next investment sooner.