



keystosuccess

club.com



USA Property



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CONTENTS

- The opportunity
- Property examples
- The risks and complications
- USA Property Investor Package and our Strategic Partners
- Keys To Success Club
 - Benefits of going under the Keys To Success Club banner
 - Membership Options
- How to proceed?

USA PROPERTY – THE OPPORTUNITY

The USA property market represents a unique opportunity due to a combination of factors:

- The collapsing of the value of the USA property market and a large amount of foreclosures resulting in very low capital requirements. Property in the range of USD30,000 to USD100,000.
- Properties can now be bought significantly below replacement value
- Exceptionally low entry transaction costs (no stamp duty!)
- Rental demand and rate remaining strong leading to high gross yields of 20%+
- Favourable AUD/USD exchange rates
- Ability to secure US loans as an overseas investor further improve cash on cash returns

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USA PROPERTY EXAMPLES – NET RETURNS AFTER COST (EXL. FINANCE)

Kansas City



Bedrooms: 3
Bathrooms: 2
Purchase Price: \$53,000
Rent Return: 12% Net Return

Memphis



Bedrooms: 3
Bathrooms: 1
Purchase Price: \$45,000
Rent Return: 13% Net Return

Atlanta



Bedrooms: 3
Bathrooms: 2
Purchase Price: \$53,000
Rent Return: 12% Net Return

Florida



Bedrooms: 3
Bathrooms: 2
Purchase Price: \$65,000
Rent Return: 12% Net Return

USA PROPERTY EXAMPLE – WITH FINANCE



Memphis, Tennessee

1,159sqft 3bed 1 baths.

Purchase price of \$38,000 ARV= 58,000

Estimated monthly rental income \$775/mth (9,540/yr)

Minus management fee 62/mth (mgmt free till 7/11 comes out to 32/mth for 12 mths)

Minus monthly taxes 93.80/mth

Minus monthly insurance 40/mth

Minus maintenance 50/mth

= \$529.20 positive monthly cash flow (\$6,350.40/yr)

=16.71% ROI first year NET

= 24.47% GROSS Return

Minus Mortgage \$303.29/mth

= \$225.91 positive monthly cash flow (\$2,710.92 / yr)

50% LTV, 8.75%, 7 years Fixed (P&I), No early exit fee, 6 points lender fees

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USA PROPERTY – THE RISKS AND COMPLICATIONS

Of course, there are risks and complications to be aware of, and yes there are certainly Australians who will get burned by taking shortcuts. Here are some of the things to be aware of:

- Buy over the internet at your peril. The house may look good but what about the area? Make sure you can get insider knowledge for the region, the neighbourhood, the type of tenants and the vacancy rates
- You need to have access to a reliable property manager as tenants have a lot more rights in the US and it is not as sophisticated as in Australia. Picking up cash in an envelope is still a common practice!
- Make sure you have the right structures and bank accounts set up so you can handle the US and Australian tax side of things easily. Leaving this to a qualified accountant is the best option
- Know your strategy; don't put yourself in a position where you need or expect to sell. You should be investing for the medium / long term!
- Getting US loans will give you much improved cash on cash returns, but it is more complicated than Australia with each state and each bank having different criteria
- Don't forget the basic principles of property investing and make your money on the way in and look for a long term strategy. We don't expect capital growth for a number of years...

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USA PROPERTY INVESTOR PACKAGE

“All the professionals, tools and resources you need to make the best property purchasing decision for the USA property market”



- USA Finance
- Property Sourcing
- Property Management,
- USA Banking
- Structures, Tax and Legal issues



- Foreign Exchange

OUR STRATEGIC PARTNERS

- **Loans USA**



- Loans USA was founded by Stephen McClatchie with a focus on helping people *invest in USA properties and use leverage* to maximise their returns.
- Loans USA has an Australian Financial Services License (AFSL) issued by ASIC to deal in the provision of US loans for Foreign Investors
- Stephen is a seasoned property investor himself, has **multiple US properties across multiple states** and has been involved in the property finance industry since 1996

- **OzForex**



- OzForex is a strategic investment of Macquarie Bank, Accel Partners and the Carlyle Group.
- Since its launch in 1998, the Group has grown to be *one of the world's largest online foreign exchange companies* by offering ***super competitive exchange rates***, great technology and superb service.
- OzForex Pty Ltd has an Australian Financial Services License (AFSL) issued by ASIC to deal in foreign exchange. Loans USA

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BENEFITS OF GOING THROUGH KEYS TO SUCCESS CLUB (KTSC)

- Mark Taylor, Managing Director of Keys To Success Club has ***personally invested in the USA property market*** and is a good sounding board in terms of the opportunity and the process of investing in the USA
 - We offer a range of support and education options to help you with your USA property journey
 - We have also agreed a set of **discounts for our community**; this means Keys To Success Club members will be able to access Loans USA services for less than normal retail prices
 - Up to **7% discount** off LoansUSA service fees (dependent on membership level)
 - We also have arranged a partnership with OzForex for members to get unlimited foreign exchange transactions at highly competitive rates **without** service fees
- Members will go through Loans USA as our chosen one stop shop service provider
 - We know Stephen personally and professionally; he is a member of our expert property panel, and honours our club code of conduct which is to be honest, respectful and act with integrity

KEYS TO SUCCESS CLUB MEMBERSHIP OPTIONS FOR OUR PROPERTY CLUB

Level	Membership Benefits							Fees
	30 min Q&A Phone Call	Personal Intro to Loans USA	Access to OzForex Discounts	Rebate off Loans USA fees ¹²	Ongoing E-mail support	Ongoing Phone support	Access to USA property course	
Community	✓	✓	✓	\$70 for initial property				• FREE
Silver	✓	✓	✓	\$200 for initial property ³				• \$1 for the first 21 days, then \$7/month
Gold	✓	✓	✓	\$300 for initial property ³	✓		✓	• \$1 for the first 21 days, then \$47/month
Platinum	✓	✓	✓	\$400 for initial property ³	✓	✓	✓	• \$1 for the first 21 days, then \$97/month

¹ – Assumes a financed property

² – Membership must be for at least 3 months in order to qualify for rebates

³ – The full outline of Loans USA service fees is available on request

<http://www.keystosuccessclub.com/property-club-testdrive/membership-options>

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HOW TO PROCEED?



- Make contact with Keys To Success Club to confirm you are going ahead under our banner
- Choose your membership level with Keys To Success Club
- You will then go through Loans USA, although we will also provide support in accordance with your membership level
 - Melinda Ransom – Client Manager
 - Stephen McClatchie, MD of Loans USA – Strategic Advisor
- Service agreements and fees will be through Loans USA
- Rebates will be paid back to you from Keys To Success Club, once transactions have been completed

Contact Details:

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