INVESTING
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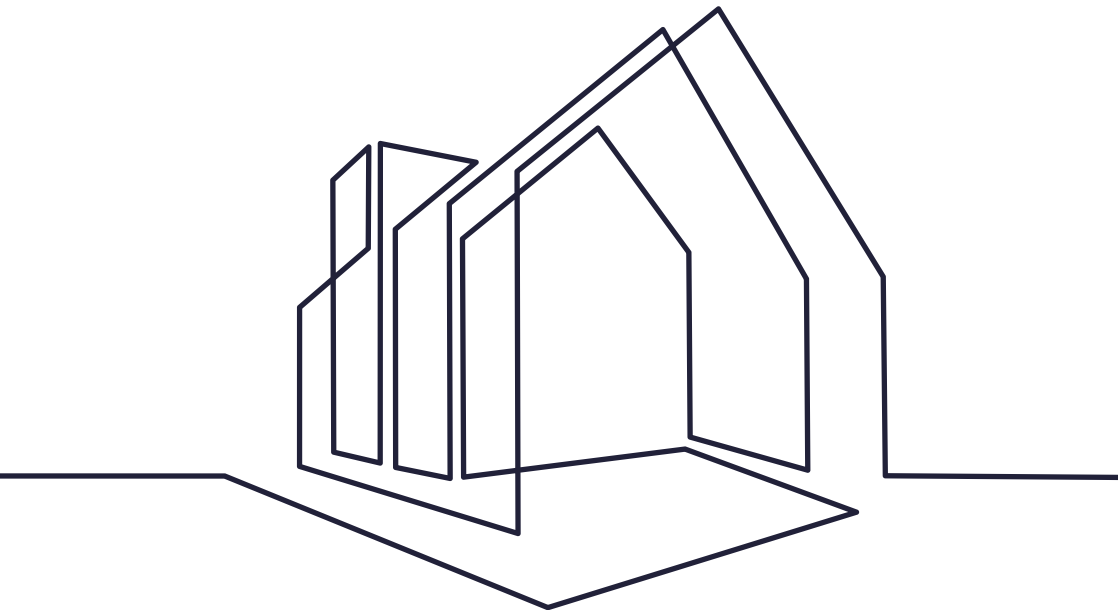


BY MATT MERCER & BERNICE COOPER

Before we get into the good stuff …

This book contains general information only and is the opinion of the authors based on many years of personal experience and countless meetings with clients.

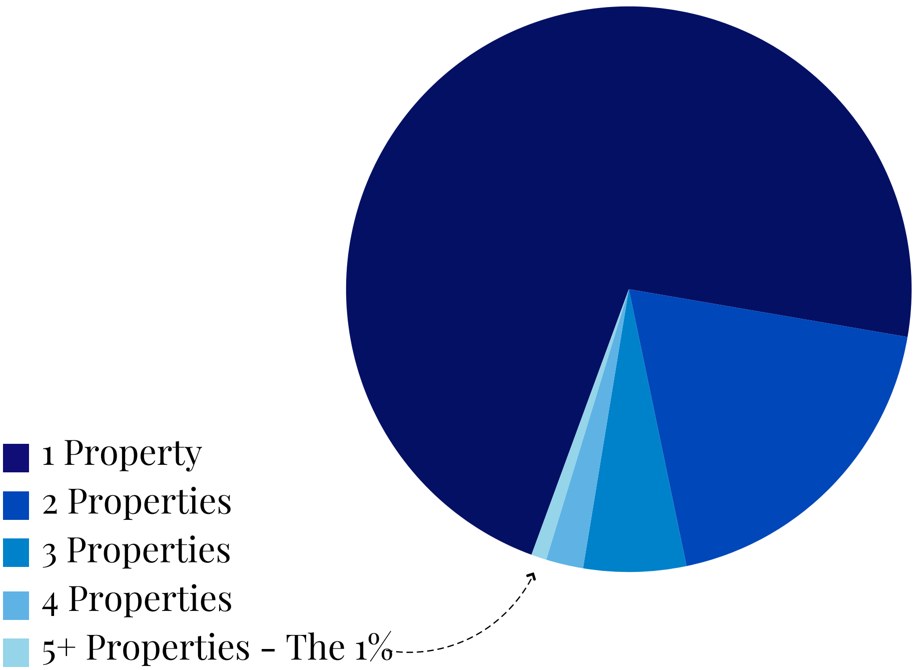
Before acting on any information contained herein you should consider if it suits your needs and goals.

You should also consider discussing these concepts and their suitability to you with a licensed property advice professional.

We encourage you to seek professional advice before making any property investment decisions.

As professionals with more than 20 years in providing property investment advice, we would obviously love to have that discussion with you and you can find information about us at the end of the book and how to book an appointment with us in person or via Zoom.

THE CONTENT


1 Property
2 Properties
3 Properties
4 Properties
5+ Properties – The 1%

Dear Investor,

So, you want to build a property portfolio and ensure you and your family has a secure future and a dignified retirement? You may have one or more already or you may be ready to start your portfolio and be looking for the “right” opportunity to come along.

Either way, over the past 20 years of providing advice and guidance to investors and helping them create significant wealth safely through property, we have discovered that there are some key mindsets and attitudes that separate successful investors from the wannabe’s…

Current ATO statistics in Australia show that 91% of all property investors own 1 or 2 Properties (72% own only 1 and 19% own 2). Why is it that such a small percentage of property investors ever get past 2 and actually build a portfolio that can make a huge positive difference in their lives and the generations to follow?

What stops them getting past 2 and what stops many from ever starting? As Property Investment Advisers with backgrounds in Financial Planning and Economics, we have seen every manner of silly strategy for building wealth through property and many property investment “fads” come and go.

The truth is that building a safe and secure portfolio of 3 or more properties, that fits your risk tolerances and allows you to sleep at night is actually not that difficult. In fact, it’s a bit boring!

We’ve had the privilege of helping our clients build portfolios that not only stand the test of time but also adapt to the ever-changing property and financial markets.

Our approach is straightforward, focusing on the basics that never waver, no matter what’s happening with interest rates, property prices, or market conditions. But before diving into strategies, it’s important to first understand what not to do.

We sincerely hope the following pages help you in your quest for wealth & financial independence.

Matt Mercer & Bernice Cooper

1. ANALYSIS PARALYSIS

We know that no one reading this would have experienced this themselves ... But believe it or not, some people over think property investing. Hard to believe we know!! The issue many investors or those wanting to be an investor have is that they gather too much information from too many sources and want to know everything about everything in property before they start.

Now don’t get us wrong, we certainly believe in research. It is the cornerstone of our business and the basis for investment in the new era, in our opinion. Gone are the days where location, location, location is the mantra for investors, now it should be research, research, research. The issue is that many new investors take it too far and it stops them from starting or continuing. Many years ago, an investor said some wise words which we have re-used multiple times over the years … “The great is the enemy of the good”– So what on earth does this mean?

In a nutshell, this advice boils down to this: if you wait for the "perfect" opportunities, you risk missing out on the "good" ones that come by regularly — opportunities that could help you achieve your long-term goals of building a property portfolio and securing a wealthier retirement.

So many times, we have held appointments with people and after much discussion they decide to wait for something “amazing” to come along instead of taking advice and action on something good! Many of those same people are still in a similar position years later and while they may own more of their home or may have even paid it off completely, they have not built wealth for retirement and have lost the most important builder of wealth in property – time. Please don’t over think it. Get some advice, do some research and get cracking!

2. FEAR

Over the years, we can honestly say that a major issue stopping people from starting a property portfolio or buying an additional property is fear. It may not look like fear, however it may sound something like:

- I will wait and see what happens in the election.
- I will see what interest rates do.
- I'm not sure about the stability of my job.
- I want to wait until I have paid my home off.
- We will wait until the kids leave home.
- I don't like debt.
- I don't want to deal with tenants/banks/property managers/etc.
- The property market could fall (or worse, collapse).

But let's be frank... they are all a version of fear and in some way come from a lack of knowledge or understanding about market cycles and economics. At any moment in time, no matter what is happening in the market or the world at large, there are suburbs and regions that are growing by double digits and outperforming the average.

This is due to the fundamentals of Economics which will always win over market sentiment as this is usually short lived. If you find the answers to a suburbs:

- Average growth rate
- Existing and approved infrastructure
- Current and average vacancy rate
- Population growth
- General demand and overall live ability

Then risk is greatly reduced, and you move forward with far more knowledge and certainty. If you believe property investment is risky, consider this: lacking the security and stability in retirement that comes from a strong asset base in property is far riskier!

Risk in property investment comes from a lack of research and from buying property with too much emotion involved and very little financial and market analysis.

Don’t give up on the plan of a strong portfolio and don’t put it off due to fear of the unknown and concerns over what might happen. Research, knowledge and advice greatly reduces fear.

3. LOCATION

Many investors believe they should only buy what they can see or what's close to where they live – Let's face it, there is something nice about having all your "babies" close to the nest. As parents, we understand. We all like to be able to "keep an eye" on our precious things and make sure everything is OK. The issue with this mindset in property is that it is unlikely that you will be living in, or near, one of the fastest growing suburbs with the most infrastructure, demand, growth rate, desirability, etc.

Therefore, as an investor, you are leaving huge amounts of potential equity on the table (so to speak) by not investing based on the math's and the property fundamentals. If your goal is to build a portfolio quickly and safely, you need to be investing based on financial parameters and giving yourself the chance to outperform the market in growth and rental yield and therefore the ability to buy another one sooner due to equity and cash flow.

Over the years we have found that if you choose properties in areas that are about to undergo growth (new infrastructure has just been announced nearby, demand is outstripping supply, etc), you can benefit from a 'spike' in property values and getting in before the growth hits. Equity can be created faster than average, and portfolios can be built more quickly.

Here is a very simple scenario showing the difference over 15 years that a small increase in average growth rate can create and please remember that this is just the growth rate and assumes the same purchase price, same rent, same tax benefits. The difference in wealth can be staggering and it still amazes us that investors don't receive advice and research to give themselves the best chance at higher than average growth.

	PRICE	ANNUAL GROWTH RATE	VALUE AFTER 15 YEARS	EQUITY
Example A	$750,000	5%	$1,559,200	$809,200
Example B	$750,000	6%	$1,797,400	$1,047,400
Example C	$750,000	7%	$2,069,300	$1,319,300

- The difference in equity between 5% and 6% is $238,200
- The difference in equity between 6% and 7% is $271,900
- The difference in equity between 5% and 7% is $510,100

That's a huge difference achieved though nothing more than buying an investment property in a location that grew at a better annual rate, showing how crucial it is to not run out and buy just anything.

Imagine a portfolio of 3 to 5 properties that all achieve 1%-2% above the average because the regions were chosen based on economic fundamentals instead of whether you would live there or whether you can drive past it regularly! The difference in retirement can be life changing! A 1%-2% higher average growth rate over 15 years can increase your equity by hundreds of thousands of dollars.

It’s a big country out there and there are some amazing regions and suburbs that will experience excellent growth in the coming years so if your big picture goal is to create serious wealth through property then it will be harder to do if you only buy within the small world that is around where you live.

One of the key beliefs in our business and our own investing is -

‘***The only reason you should ever buy an investment property is to become significantly richer***’

None of us should want to have extra mortgages, deal with tenants, property managers and insurance companies, have more accounting costs and carry more debt unless … we are going to get richer. You should not be doing this just for laughs!!

So if the suburb or region you have chosen to live in is not predicted to be in the top 10 fastest growth areas based on independent research, why would you buy an investment property there?

4. BUYING FOR PRESTIGE OR PERSONAL TASTE

This sabotaging strategy has similarities to number 3 regarding its ability to destroy the chances of a portfolio.

Over the years, we have seen countless examples of investors making buying decisions on investment property that destroy their chances of owning 5 or more and dramatically increase their chances of loss.

The first example of this is the investor who, for some unknown reason, cares about what other people think of their investment property choice.

These investors buy apartments overlooking the beach in Surfers Paradise or Coolangatta or Southbank in Melbourne or perhaps apartments in a CBD where there is often an abundance of supply, causing very slow growth in most cases.

We have clients who recently started working with us that purchased a water-front apartment 3 years ago for $1.3M and have just listed it for sale at $950,000. It has been rented for $800 per week for the last 2 years. When we first discussed this with them, they informed us that it was a beautiful unit with a beautiful view and the tenants were lovely!! While these are all very nice, none of them fit into investment property criterion and are the classic case of buying a property for prestige.

If they had bought 2 properties for $650,000 each in emerging suburbs with major infrastructure projects instead and rented them for $600 to $650 per week, they would likely have significant equity and have been cash flow positive or neutral the entire time. It’s not quite the same as being able to say they have a luxury waterfront apartment, but they would likely be richer!

The second example is the investor who needs to like the property and be able to see themselves living in it in order to buy it. This is a very common thing that we see amongst investors, and it rears its head with statements such as:

- I'm not a fan of the carpet colour
- I don't like the tiles or flooring
- I want a gas stove, not electric
- The ensuite is smaller than I like
- I don't like the position of the laundry
- I would have chosen another paint colour
- Etc, etc, etc

So how about we just come right out and say it…
It's not your home and you will probably never live in it!

Who cares:

- What your friends or family think
- Whether you would live in it
- Whether you personally like the suburb

It's an asset designed purely to achieve a future goal! The only things that matter in our opinion, after 20 years in the game, are:

- Does it have the fundamentals to outperform the average for capital growth?
- Does it have the fundamentals to achieve a higher-than-average rental yield (5% yield at the very minimum)?
- Does it have good tax deductibility and depreciation capabilities?

Or if we put it more bluntly – All you should care about is:
Will it grow and rent like crazy and give you the maximum tax benefits? If you want to build a property portfolio and become wealthy this is all you should care about.

5. POOR ADVICE

We all know that the best information and advice comes from hairdressers and cab drivers, closely followed by friends at a BBQ and family members ... Then of course there is the paid advisers such as Accountants, Finance professionals, Lawyers, and Financial Advisers.

So, let’s get something else off our chests … Don’t take property investment advice from anyone who doesn’t live and breathe property, own investment property themselves, provide you with research to back up their advice and hold the licenses to give advice.

Once again, after 20 years we have seen some spectacularly bad decisions made on a recommendation of a well-meaning friend or adviser. The truth however is that in almost all cases these people don’t spend all their time on property, don’t have a portfolio and haven’t been investing for 20 years or more through all the property cycles.

If you want to build a self-funded portfolio that requires minimal cash flow input and quickly provides the equity for your next investment, it's crucial to be discerning about whose advice you follow. Pay close attention to experts who understand the market, the best property types to buy, and the fastest-growing suburbs.

The property market is driven by economic fundamentals, and these can be predicted to a large degree by understanding human behavior and sentiment along with development and government approvals. Please leave the hot tip that you get from a well-meaning contact for the property novice. Build your portfolio with researched advice that fits with your goals and risk profile.

6. NOT HAVING A PLAN

We've all heard of the old adage, 'If you fail to plan, you plan to fail', and in property investment we believe this is certainly true. It's important to look at key factors that will be the foundation for your property portfolio;

- How many properties do you need to retire?
- When should you buy the next one?
- Where should you buy the next one?
- What capital growth rate do you need to average over time to achieve your goal?
- What rental yield must you achieve to ensure you put the least amount of money in to support your portfolio (and preferably none)?
- What types of property should you be focused on?
- What loan types should you use?

Many investors cannot state their desired outcome and by that, we mean something like - "I will have 3 to 4 properties that have no debt on them when I retire, and I will live off the rent as they continue to grow."

In order to achieve that goal within 15 to 20 years, you may have to purchase 5 or 6 properties and then, as retirement approaches, sell the 2 to 3 with the most equity and pay out the mortgages on the remaining ones.

Now that's a plan, but in order to achieve that, a lot of things have to be done right and the potential for capital growth, rent and tax benefits must be carefully considered on each purchase along the way.

As we all know … life doesn’t always go to plan but if you actually have a plan then it’s a lot easier to get around the real issues that face property portfolio builders such as:

- The bank says no to another loan
- The tenant moves out and leaves damage
- You lose your job temporarily
- Your professional (and perhaps non-professional) advisers try to talk you out of more property and more debt
- You start to lose faith and think it’s all too hard
- Etc, etc, etc.

The truth is when all is said and done, what matters is that you achieve your wealth and lifestyle goals on time. No-one else is going to turn up when you retire and help you live the life you want and deserve, so don’t take no for an answer, create a strategy that you are following and a plan that keeps you on track.

7. PROCRASTINATION

Ok, so now we come to the biggest destroyer of property dreams and by far the biggest reason most investors never get the portfolio size that they want or need to create the wealth they desire. They Procrastinate.

Most of us have heard the saying, “Time in the market is more important than timing the market.” This simply means that taking action and purchasing an investment property as soon as you are able is crucial. If a lender is willing to provide financing, and you have done your research to understand the best regions for your risk profile and cash flows, then buy another property. If you can, you should.

The natural tendency for human beings is to put off what we should do for the future and focus on the here and now. All the above 6 factors that hurt your ability to build a portfolio can create procrastination which makes it the most damaging killer of wealth and the most important to overcome out of the 7.

Talk to anyone in the twilight years of life and the theme will be similar:

- I wish I had done more when I was younger
- I should have started sooner
- I wish I bought 10 of those instead of 1
- I should have done more while I had the income
- If only I had saved more, planned more, invested sooner, taken more chances, etc…

The key factor for building a powerful and profitable portfolio that supports you in your retirement years, is time and that is what procrastination robs you of.

We understand that there may be a legitimate reason to wait, and it may form part of the property plan but for the majority of investors that we have sat with over 20 years or more, they were simply waiting without a good reason.

The reality was that the reason they had not moved forward with their portfolio was in almost all cases one of the above 6 that was stopping them and causing procrastination.

So how do the first 6 cause number 7?

1. ANALYSIS PARALYISIS - You receive too much information that all sounds 'credible' and you become unsure of how to move – so you don't do anything at all.

2. FEAR- You hear lots of information about the current market, interest rates, the coming election or budget, job security, etc. and you decide (sometimes subconsciously) let's not do anything at the moment.

3. LOCATION - You had a bad experience with a tenant or heard about someone else's bad experience. You don't have time to research growth markets and understand where the faster growth rates, population growth and infrastructure is occurring, so you wait for something close to you that you like.

4. BUYING FOR PRESTIGE OR TASTE - You're looking for something that you like so that you could potentially live in it in the future. You try to find something that fits who you are as an investor. You've seen a few, but nothing that grabs your attention.

5. POOR ADVICE - You get confused or overwhelmed by listening to the opinions of well-meaning but unqualified family or friends.

6. NOT HAVING A PLAN - You are not really sure what the next step should be, and don’t have enough time to commit to learning and researching. You are not sure where, what, how, when and whether it’s the right move for you.

You don’t know how much you need to accrue for a comfortable retirement, so you decide to start once you have some more knowledge, and maybe when the house is paid off or when the kids are older.

The outcome of all of these, in many hundreds of cases over the years – is we wait! We procrastinate and we lose the ability that time gives us to build a strong portfolio based on sound research and on understanding the factors that cause higher than average growth, rent and tax deductions.

Our sincere advice to you is, if you can afford to invest in a property, then invest in a property. If the bank will lend you for another one, buy another one!

When research is done properly, cash flows are considered, the finance structure is sound, and the property choice is based on economic fundamentals and your tolerance to risk, then in our opinion, it is one of the safest and best strategies for long term, secure wealth creation we have ever known.

In Conclusion,

We believe that anyone can build a property portfolio and retire with multiple properties, ensuring financial security. However, success hinges on overcoming the factors that can hinder progress or even prevent people from starting.

There is nothing stopping you joining the “less than 1%” of property investors who own 5 or more properties. The best time to start planning and preparing is now even if your next purchase is 1 to 2 years away.

We wish you all the best with your property investing. Enjoy the journey, and if you need expert guidance, don't hesitate to reach out to us for property investment advice. We're here to help you succeed!

The Mercer & Cooper Team

ABOUT US

Mercer and Cooper is a boutique property advisory firm dedicated to working with a select group of clients each year. Our mission is to help you build a property portfolio grounded in sound research, aimed at achieving above-average growth, strong rental returns, and maximum tax deductions—in that order.

The leadership team at Mercer and Cooper bring decades of combined experience and a passion for helping clients create significant wealth through property investment. The founding directors have helped hundreds of clients create wealth through property, pay their home loans off faster and receive significant tax refunds. With a focus on economic fundamentals, clients can be assured of strong capital growth and rental income.

Our team delivers tailored, strategic guidance aligned with each client's financial objectives. We use our in-depth knowledge and enthusiasm for property to craft investment strategies that help clients achieve financial success, ensuring their portfolios are managed with the highest level of care and proficiency.

With 20 years of experience in financial planning and investment property advice, we have honed a simple yet effective process to help clients achieve their goals through property investment and create the lifestyle they truly desire. We offer free and confidential consultations and would be happy to discuss how we can help you realize your investment potential.

Contact us today to see how we can assist you on your journey to achieve prosperity through property.

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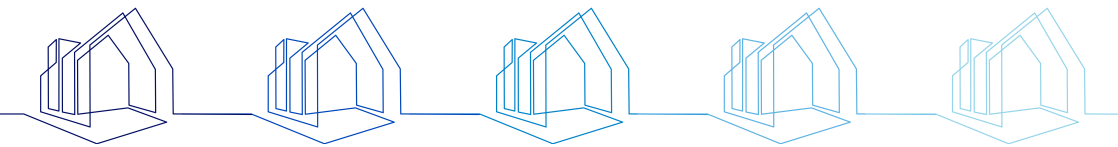
So, you want to build a property portfolio and secure a prosperous future for your family?

Whether you're a novice or an experienced investor, *"Investing Like the One Percent"* is your essential guide to mastering real estate wealth. Discover the secrets that have empowered countless investors over the past 20 years to achieve extraordinary success.

Building a secure and profitable portfolio of three or more properties is not as hard as it seems—in fact, it's remarkably straightforward. This book reveals the key mindsets and strategies that will help you break free from the limitations holding most investors back. Learn how to create a lasting legacy, enjoy peace of mind, and achieve financial independence.

"Investing Like the One Percent" is your roadmap to real estate success — practical, proven, and within your reach. Are you ready to join the ranks of the elite?



'Their advice was always on point, which helped us make informed decisions. Highly recommend and we definitely will be using Mercer & Cooper to help us with our next investment property.'

- Agnes & Francis

'With Matt and Bernice by our side or just a phone call away and guiding us each step of the way, Mark and I felt completely at ease in choosing an investment property that was just right for us.'

- Mark & Kay